

The NATIONAL UNDERWRITER



GENERAL REINSURANCE CORPORATION

Casualty - Fidelity - Surety

90 JOHN STREET, NEW YORK ▼ 200 BUSH STREET, SAN FRANCISCO



NORTH STAR REINSURANCE CORPORATION *(formerly North Star Insurance Company)*

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK 200 BUSH STREET, SAN FRANCISCO

THURSDAY, MAY 18, 1939



*What a Satisfaction there is—
in knowing your clients will be
well protected*

IT IS PREDICTED that one-half of all the persons in the United States will attend one or both of the Great Fairs this year. Many will drive their own cars.

Automobile Insurance will protect your clients against claims for damages for which they may be liable as a result of an accident. It is very important to have the benefit of continent-wide claim service when traveling.

Personal Accident Insurance will protect your clients and their families

against the financial consequences of personal accidents; whether they motor, go by train, bus or air.

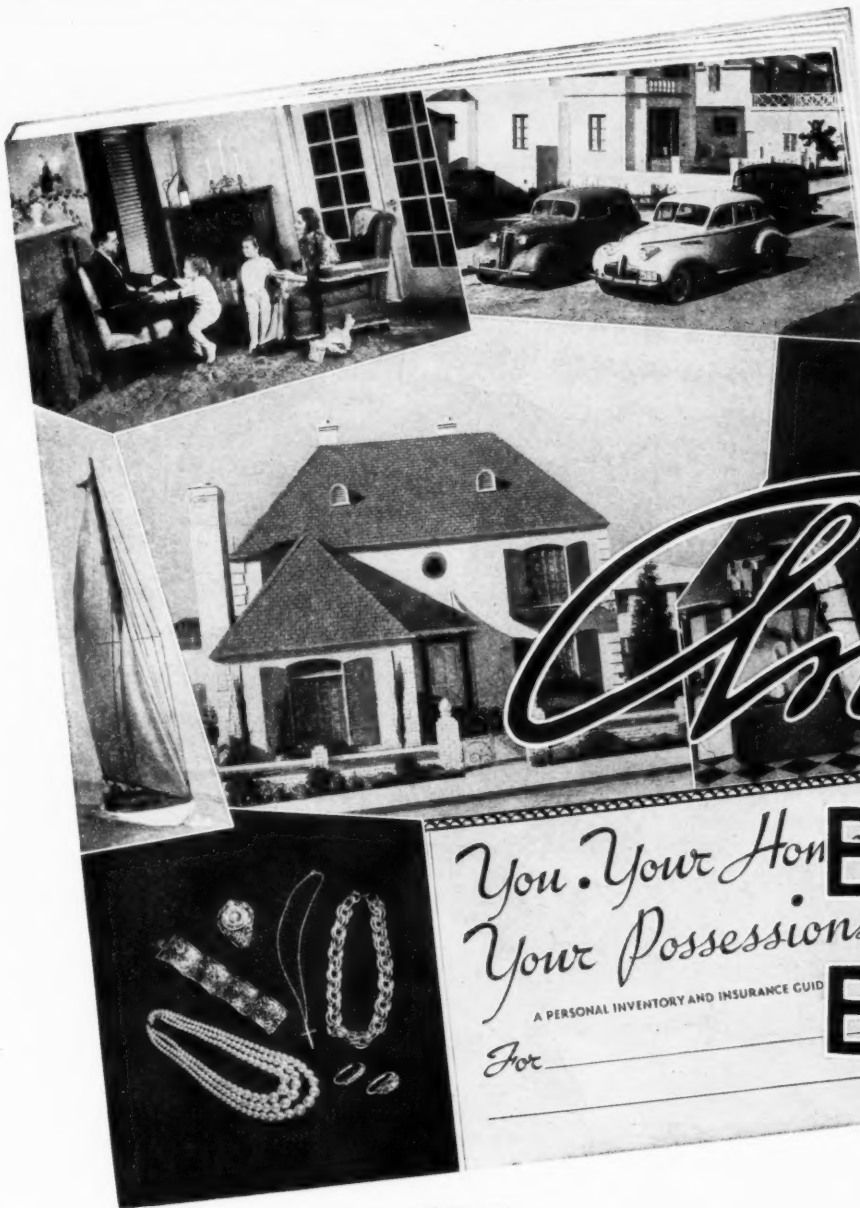
Jewelry and Personal Effects policies will insure your clients against virtually any loss of the property they take with them.

Residence Burglary Insurance will protect their property at home.

Ask any Travelers Office for attractive literature featuring necessary forms of insurance.

THE TRAVELERS

The Travelers Insurance Company
The Travelers Indemnity Company
The Travelers Fire Insurance Company
The Charter Oak Fire Insurance Company
HARTFORD • CONNECTICUT



"You • Your Home • Your Possessions"
 is a new business building ALL LINES Personal
 Inventory and Insurance Guide! Its use will enable the
 insurance adviser to present — quickly, convincingly
 — a complete insurance picture. An invaluable sales
 help, this booklet is available to Agents and Brokers
 representing companies of Fireman's Fund Group.



Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP
Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York • Chicago • SAN FRANCISCO • Boston • Atlanta

BORROWED

TROUBLE

\$12,000

WORTH

Upholding the American Agency System is the key message contained in this advertisement. It appears in the May 22nd issue of Time—the weekly news magazine. Show it to your clients.

The Aetna Fire Group W. Ross McCain, Pres.



"Don't bother to fix it now—use my car"

A flat tire . . . a hot day . . . and Dan Blake, Jr. had a date. He gladly accepted a neighbor's offer to use his car. Most boys would have done the same.

But the neighbor's car was old . . . the brakes were worn . . . and young Dan had his first accident. Worse still, the neighbor carried no liability insurance . . . and Dan and his dad faced a \$12,000 lawsuit.

It Can Happen to You

Now read carefully—if you are a car owner. Effective April 8, 1939 (in most states) automobile liability insurance was extended by companies of the National Bureau of Casualty

and Surety Underwriters (of which we are a member), to protect owner and spouse while driving another person's car. But does this new coverage include sons, daughters and other members of the family? . . . NO.

But Dan, Sr. was lucky, or rather, far-sighted. He had purchased his insurance from a local agent of capital stock companies—a trained insurance counselor who had written Dan's policy to cover his entire family with adequate limits.

Four out of five people buy their insurance from local agents or brokers of capital stock companies. Because

when you can talk things over face to face with a responsible resident representative—it's easier to know what you are buying . . . and what to do in event of loss.

Equally important, insurance with a capital stock company means a policy backed by a paid-in capital and surplus . . . on which you can never become liable for assessment.

This advertisement is one of a series by the Aetna Fire Group to acquaint the public with the advantages of purchasing insurance through local agents and brokers of capital stock insurance companies.

Don't Guess About Insurance—CONSULT YOUR LOCAL AGENT OR BROKER



The ÆTNA FIRE GROUP

HARTFORD, CONNECTICUT

NEW YORK • CHICAGO • SAN FRANCISCO • CHARLOTTE, N. C. • TORONTO, CAN.



The NATIONAL UNDERWRITER

Forty-third Year—No. 20

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 18, 1939

\$4.00 Per Year, 20 Cents a Copy

Bielaski Address Features W. I. B. Annual Meeting

**Western Organization Has
Harmonious Gathering at
French Lick Springs**

By LEVERING CARTWRIGHT

The annual meetings of the Western Insurance Bureau and Western Sprinkled Risk Association in French Lick Springs, Ind., were well attended by executives of member companies from Chicago, the east and other centers and by a number of representatives of insurance organizations. This is a compact group of companies that works in harmony and the executives are on intimate terms with one another. No decisions of first importance had to be made and the members had an opportunity to discuss current situations without being subjected to the pressure of a heavy agenda.

The feature of the sessions was a talk by A. Bruce Bielaski of New York, who is in charge of the arson investigation work of the National Board. Mr. Bielaski had been in Chicago for the meeting of the National Fire Protection Association. He held his audience closely, as he gave fascinating accounts of arson detection work. Mr. Bielaski is not an orator, but he speaks in a natural style and has at the tip of his tongue names, dates and circumstances and anyone who has a taste for detective stories can't ask for a more enthralling experience than to listen to Mr. Bielaski for an hour.

H. A. Clark Is Reelected

H. A. Clark of Chicago, vice-president of Firemen's, was reelected president and chairman of the board of the Western Insurance Bureau. E. E. Soenke, secretary Security of Davenport, is vice-president; W. S. Whitford, executive vice-president Millers National, is treasurer. In order to facilitate the work of the treasurer, two other officials of Millers National were named as assistant treasurers, they being R. S. Danforth, assistant secretary of Millers National, and A. A. Krueger, secretary of that company. F. C. Schad was reelected secretary.

The new directors of the bureau consist of Messrs. Clark, Soenke, Whitford and F. J. Breen, president of Standard of Trenton; Lloyd W. Brown, secretary of Firemen's; J. C. Hiestand, secretary Ohio Farmers; Charles D. James, president Northwestern National; S. F. Weiser, secretary Dubuque F. & M., Mr. Whitford and W. E. Wollaeger, president of Concordia.

Several changes in members of the Western Insurance Bureau were reported by President Clark. W. D. Reed, former president of Northwestern Na-

(CONTINUED ON LAST PAGE)

N. Y. State Program Has Many Features

**Card for Local Agents
Meeting Presents Interest-
ing Material**

The 57th annual convention of the New York State Association of Local Agents will be held at Onondaga Hotel, Syracuse, May 22-23. Recent conventions of the association, in attendance and in character of the programs, have frequently taken on more the appearance of a National association mid-year meeting rather than that of a state association assembly.

The program for this year's convention, while not completed in all details, will measure up to the constructive programs of former years as is indicated by the following outline:

Sunday, May 21

Meeting of the executive committee continuing throughout the afternoon and evening.

Monday Morning, May 22

Meeting of board of directors.
Local board conference, Ralph T. Waterman, Poughkeepsie, past president Dutchess County Association, presiding.
"Why a Local Board—Its Functions and Service." Outstanding accomplishments of successful boards. Does it stabilize the insurance business locally?
Attendance at Meetings—How Stimulated.

Educational and Safety Programs
Local Board First Aids: Helping members to meet competition; exchanging speakers with other boards; desirable assistance from the state association.
Cooperation with State Association: For membership development; to eliminate mixed agencies; for promoting regional and group meetings.

Monday Afternoon, May 22, 2 p. m.

First convention session.
Committee reports.
Rural agents' program devoted to addresses and discussions on questions of particular interest to agents in smaller cities and rural communities. Fred J. Marshall, East Aurora, chairman rural agents' committee, presiding.
Reviewing Work of Rural Agents' Committee, Chairman Marshall.
Rural Agents' Problems Ahead, William H. Lucas, Leroy, N. Y.
Extended Cover—Can Rural Agents Sell It? R. M. Hooker, state agent Fireman's Fund.
Salesmanship, E. E. McNally, division sales manager L. C. Smith-Corona Typewriter Company, Syracuse.
Public Relations—Are We Lacking in Courage? Wellington Potter, Rochester, N. Y.

Tuesday Morning, May 23

"Larry" Daw, manager Syracuse Division New York Fire Insurance Rating Organization.
Administration report, R. M. L. Carson, Glens Falls, president.

Our Contact with the National Association, F. L. Greeno, Rochester, national councillor.

Address, William H. Menn, Los Angeles, president National Association of Insurance Agents.

Proposed revision of by-laws.
Complimentary luncheon tendered by Excelsior Insurance Company to registered members and guests, Robert C. Hosmer, president, presiding.

Tuesday Afternoon, May 23

What the Insurance Buyer Expects

Texas Agents, 500 Strong, Are in Session at Waco

By FRED B. HUMPHREY

WACO, TEX.—Although the regular sessions of the annual meeting of the Texas Association of Insurance Agents do not start until Thursday, practically all members of the board of directors and all local exchange officers arrived here Tuesday night in order to be here for the directors meeting Wednesday morning and the meeting of local exchange officers Wednesday afternoon. A big advance guard of local agents arrived Wednesday morning.

All indications point to a registration of more than 500 when the convention proper opens Thursday morning.

Due to the Texas laws the Texas association is not interested in automobile casualty rate filing of the National Bureau of Casualty & Surety Underwriters that is causing so much discussion in other states. In fact no fire-works are in sight and apparently the convention will confine itself to the announced program with few discussions.

Alfonso Johnson's Address

Basing his opinion on the books and pamphlets written by the proponents of the scheme, Alfonso Johnson, manager of the Dallas Insurance Agents Association, speaking to the officers of the local exchanges classed the consumers cooperatives as "communistic isms" experimenting with ways of destroying the profit-and-loss system which has made the United States the greatest country in the world.

"Our unexcelled system of American business enterprise has been called the profit system but it should be called the profit-and-loss system," said Mr. Johnson. "Our constitution does not guarantee happiness but it guarantees the pursuit of happiness. Likewise our present economic system does not guarantee a profit but merely the pursuit of profit. Almost every American if he analyzes his job and the background of that job, will find that he enjoys his position, his standard of living and his place in the community because someone invested capital, with the hope of making a profit."

from His Agent, A. V. Miller, New York "Herald Tribune."

What the Insurance Agent Expects from His Companies, Roy A. Duffus, past president Underwriters Board of Rochester.

"Lest We Forget," Dr. L. J. Ackerman, University of Newark, Newark.
Convention discussions.

Committee reports: Subjects from local board conference, automobile rating plan, mixed stock and mutual agencies, proposed revision New York standard fire policy.

Tuesday Evening, May 23

Annual banquet, President R. M. L. Carson presiding.

Introduction of distinguished guests and state leaders.

Address, Louis H. Pink, superintendent of insurance of New York.

Address, Count Ernesto Russo, Milan, Italy.

Music and entertainment.

Chicago Elevator Loss Now Set at About \$3,000,000

**Largest Fire in Grain
Association History—Inter-
est in Extent of Salvage**

Nationwide interest is being attracted to the extensive terminal grain elevator fire in Chicago because it is the largest single fire loss of recent years and because it is the largest loss ever suffered by the Underwriters Grain Association. The ultimate net loss to all insurance is now conservatively estimated at about \$3,000,000. The total insurance liability in connection with the grain, buildings, use and occupancy and charges is \$3,539,981. Some 3,000,000 bushels of grain, mostly corn, was involved; five frame houses, ranging in capacity from 600,000 to 2,000,000 bushels, were totally destroyed, and 26 concrete tanks were damaged to an extent that is not yet definitely ascertainable, but may be 50 percent. The loss to grain is estimated as total with possibility of salvage.

Three of the frame houses and the tanks were ranged to the north of a slip 100 feet in width from the Calumet river at about 103d street. Those houses are known as Calumet A, B and C. The explosion that caused the conflagration occurred in Calumet A. Those houses and the tanks were insured by the Continental Illinois National Bank & Trust Co., as trustee under a trust agreement with the Chesapeake & Ohio Railroad. Rosenbaum Bros., Inc., was the lessee of these facilities.

Houses Across the Slip

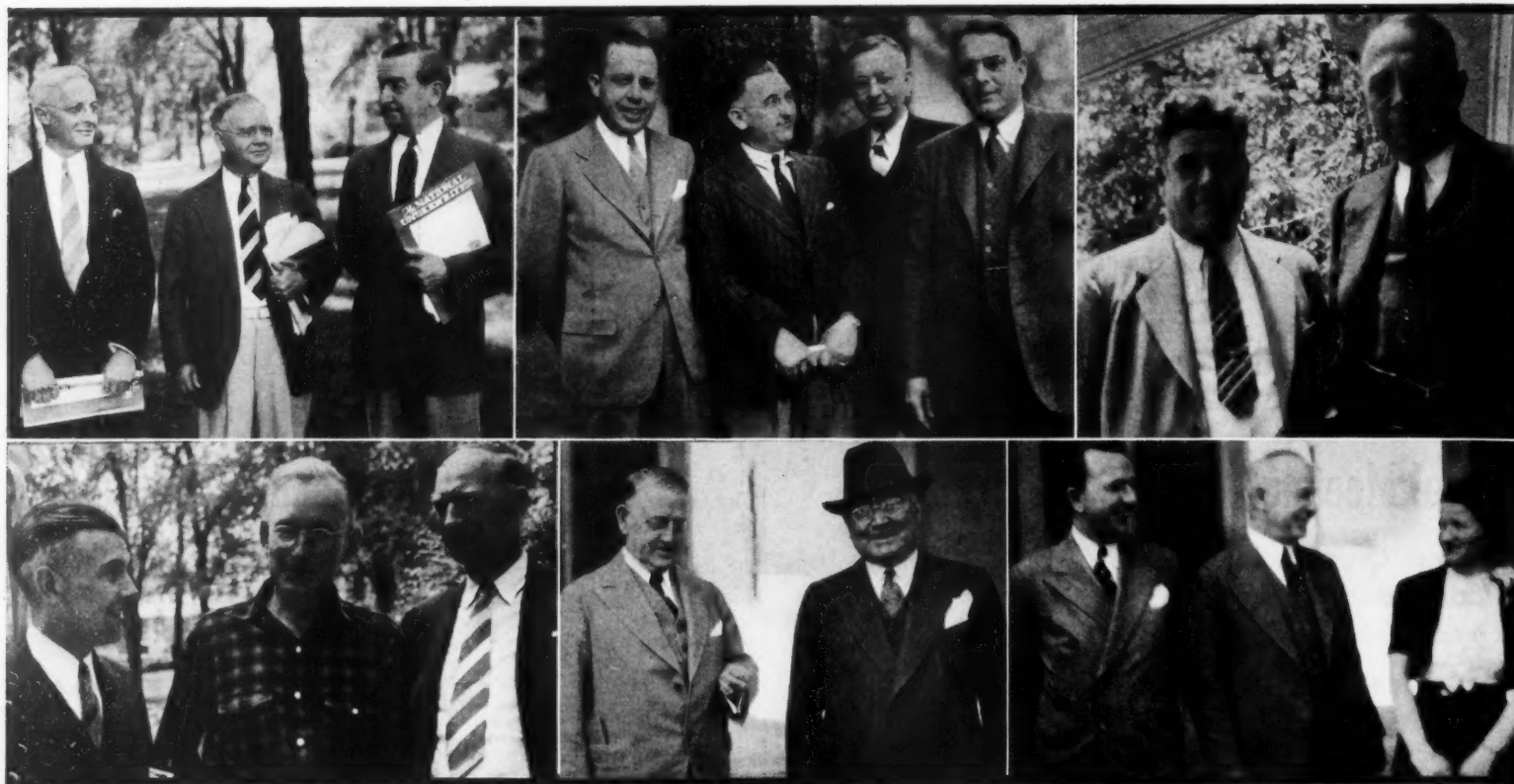
Two of the frame houses were to the south of the slip. They are known as Rosenbaum A and B and were owned and operated by the Norris Grain Co.

The Rosenbaum A and B houses became involved about two hours after the explosion occurred. Some observers state that Rosenbaum B became ignited before Rosenbaum A despite the fact B was at a greater distance from the Calumet elevators than A.

All of the frame houses were built in the 1890's. It is interesting that one of the Norris operated houses was almost lost in a fire in 1898. There had been no criticism of the housekeeping in these structures for more than two years. The last reinspection had taken place April 20 and the inspectors found nothing to criticize. There was very little mechanical dust protection equipment in the old houses and reliance was placed largely upon sweepers.

The Calumet houses were sprinklered, but the sprinkler system in Calumet A was immediately destroyed in the explosion and the fire communicated so rapidly that the valves were not opened in the other buildings. Likewise, the water curtains (which are equivalent to outside

(CONTINUED ON PAGE 14)



SNAPPED AT ANNUAL MEETING OF WESTERN INSURANCE BUREAU IN FRENCH LICK SPRINGS, IND.:

(Top row (left to right))—Fred C. Schadt, Chicago, secretary Western Insurance Bureau; Herman Ambros, Newark, vice-president Firemen's; H. A. Clark, Chicago, vice-president Firemen's and president W. I. B.; Dana L. Jones, Indianapolis, state agent Ohio Farmers; J. C. Hiestand, LeRoy, secretary Ohio Farmers; E. E. Soenke, Davenport, secretary Security of Iowa; Lloyd W. Brown, Chicago, secretary Firemen's; Herbert A. Smith, Indianapolis special agent Northern of New York; A. Bruce Bielaski, New York, head of the arson division of the National Board.

(Bottom row)—J. K. Battershill, New York, branch secretary Swiss Reinsurance; Marvin Brownlow, Chicago, manager Underwriters Salvage Company of Chicago; T. A. Pettigrew, Chicago, manager Underwriters Adjusting; J. W. Knox, Chicago, manager Corroon & Reynolds; E. S. Inglis, New York, vice-president Corroon & Reynolds; G. N. Porter, Chicago manager Western Sprinkled Risk Association; R. W. Wetzel, secretary Northern of New York; Miss Cavanaugh, secretary to Mr. Schadt.

Insurance College Starts in Hartford

HARTFORD—A bill incorporating the Hartford College of Insurance, the first degree-granting post graduate school in the United States devoted entirely to insurance instruction was signed by Governor Baldwin. The bill recently was unanimously passed by the general assembly.

Incorporators met immediately formally to establish the school and elect officers and trustees: President, Harlan S. Don Carlos, manager life, accident and group claims department Travelers; director, E. G. Baird, dean Hartford College of Law; vice-president, Berkeley Cox, assistant counsel Aetna Life; secretary-treasurer, V. B. Coffin, vice-president and superintendent of agencies Connecticut Mutual Life; bursar and registrar, Mrs. Florence P. Hamel.

Trustees include many well known attorneys and insurance men.

Two Courses Are Offered

The college, operated in conjunction with the Hartford College of Law, offers two courses of instruction: the course in general insurance science consisting of three years of night study and leading to the degree master of science in insurance, and the course in insurance law, consisting of four years of day study and leading to the degrees bachelor of laws and master of science in insurance.

Candidates for the insurance college degrees must hold a bachelor's degree from an accredited college or university. Others not possessing the bachelor's degree but employed by an insurance company may be admitted to the insurance college but not as candidates for the degrees.

Classes in the night division will begin Sept. 18, in the day division Sept. 25. Registration will be Sept. 11-16.

Catalogues containing full information probably will be available July 1.

La. Agency Law Case Postponed

NEW ORLEANS—The injunction case before the federal court here on the Louisiana resident agency law was continued to May 25. The temporary restraining order preventing officials from enforcing the act will remain in

force until then. The Louisiana law is modeled upon the recent Virginia statute, which was recently in the courts. It requires payment of part of commissions to resident agents where business is written outside the state and denies licenses to companies and agents violating the act. It is expected that a temporary injunction will be issued pending the trial of the case.

THIS WEEK IN INSURANCE

Ultimate net loss in the extensive Chicago terminal elevator fire is conservatively estimated at \$3,000,000. **Page 3**

Insurance Advertising Conference met this week in New York City. **Page 6**

Annual meetings of Western Insurance Bureau and Western Sprinkled Risk Association are held in French Lick Springs, Ind. **Page 3**

Program for the annual convention of the New York State Association of Local Agents is announced. **Page 3**

Mrs. Jennie Sue Daniel is leaving the service of the "American Agency Bulletin," of which she has been editor for 12 years. **Page 5**

Executive Secretary S. G. Otstot of the North Carolina Association of Insurance Agents tells of the value of local boards at the South Carolina agents meeting. **Page 5**

New York insurance code has passed both houses of the legislature. **Page 8**

Automobile casualty rate situation continues to stir controversy in a number of states, mainly Indiana, Ohio, Michigan and Minnesota. **Page 19**

New blanket bond for credit unions published by Surety Association of America. **Page 22**

New owners, landlords and tenants manual and many general public liability changes announced by National Bureau. **Page 19**

Rules and regulations governing production cost in Chicago and Cook county, Ill., were adopted Tuesday by both the casualty and surety acquisition cost conferences. **Page 19**

Revised automobile liability and garage liability policies are announced by stock and mutual bureaus. **Page 20**

C. W. Van Beynum, publicity manager of the Travelers, talks on automobile liability insurance before the Insurance Advertising Conference. **Page 21**

Robert Steinemann of the head office of the Fidelity & Casualty spoke on tax collectors' bonds before the Tax Assessors & Collectors Association in Galveston. **Page 21**

Massachusetts survey reveals big savings under retrospective rating. **Page 21**

Companies' proposal to reduce tax insurance rates in Illinois on basis of improved experience in 1938 being considered by insurance department. **Page 22**

Need for legislative and public relations work on behalf of accident and health insurance stressed by W. E. Cornett in Pittsburgh talk. **Page 20**

Premiums and losses for the leading fire and marine companies in Illinois last year are given. **Page 33**

Program is announced for the annual meeting of the Oklahoma Association of Insurers. **Page 34**

Fire Fund Limitation Bill Is Killed in Wisconsin

MADISON, WIS.—The state assembly has definitely killed the controversial Schlytter bill which would have limited the Wisconsin state fire fund to state property and prohibited insuring other forms of property, now extended to governmental units. There are 498 school districts, 121 cities, villages and towns, and 29 counties insuring buildings in the fund.

The bill, introduced by Melvin Schlytter, Wittenberg agent and Republican assemblyman, was strongly supported by insurance companies and agents. Opposition developed from the League of Wisconsin Municipalities, Wisconsin County Boards Association and others who protested increased cost of private insurance boosted property taxes of local units because the state writes the business at about one-half the rate established for private carriers.

Extension of state fire fund coverage to private corporations, associations and individuals now has been proposed in a bill referred to the committee on insurance and banking.

Purchases Home Office Building in Omaha

National American has purchased a four-story brick building at 1813-17 Douglas street in Omaha for use as home office headquarters. The consideration was reported to be \$55,000. The purchase of the building is part of the National American's 20th anniversary expansion program. J. E. Foster is president of National American.

The difference between marine insurance and other forms was explained to students of San Francisco Junior College attending the general insurance classes, by George Ingram, marine underwriter in the Pacific department of the Hartford.

Local Boards Form Backbone of the State Associations

COLUMBIA, S. C.—The South Carolina Association of Insurance Agents is holding its annual meeting here this week. One of the talks was given by S. G. Otstot of Raleigh, executive secretary North Carolina Association of Insurance Agents. He stated that there are more active local boards in his state than any other and because of their activities there is now affiliated with the state body practically every eligible agent throughout the state. He said that a local board should be organized on the coextensive membership basis. Every member of a local board must be a member of the state association and the state association should not accept a member in that locality unless he is a member of the local board. Strong local boards, he said, make strong state associations.

County Board Organizations

Organizing a local board, he said, is not an easy matter especially in communities where the agents have not been affiliated in any manner with the state association and have no knowledge of the benefits accruing. City local boards are not new. One was organized in North Carolina, Oct. 17, 1865. The organization of county local boards, he asserted, is in its infancy. He laid great stress on the organization of county boards, saying that such have been organized in almost all North Carolina with 100 counties.

Mr. Otstot used Wilson county as example, saying that when he appeared before the agents he set forth the following benefits that a county local board might offer to them:

1. That they could control the appointment of part-time agents and part-time solicitors.
2. That they could eliminate cut rate competition among themselves.
3. That they would work in perfect harmony with one another.
4. That becoming better acquainted with each other in their regular meetings they could meet outside and unfair competition in a more satisfactory manner.
5. That they could become a distinct asset to their community by working as a unit for their many civic organizations.
6. That they could secure the support of state and National associations in the event some controversial issue arose that they could not solve themselves.
7. That, as an organization, they could secure valuable advertising.
8. That they could more effectively

April Losses 4.6% Above Same Month of 1938

NEW YORK—During April the National Board estimates the fire losses of the country aggregated \$27,061,522, a decrease of 11.8 percent from the preceding month, but greater by 5.6 percent than for April, 1938. The addition of the latest figures increases to \$114,662,526 the losses for the first four months of 1939, an advance of \$5,846,483 over the corresponding period of last year. The monthly record for 1939 and for 1938 is:

	1939	1938
January	\$ 27,615,316	\$ 27,676,337
February	29,303,520	26,472,626
March	30,682,168	29,050,968
April	27,061,522	25,616,112
Total	\$114,662,526	\$108,816,043

assist in fire prevention programs.

9. That they could work with the safety department of the state highway department in their accident prevention program.

10. That they could become better acquainted with the agents throughout the state by their attendance and participation in the activities of the regional, mid-year and annual meetings.

In his opinion he said that the companies, the insurance department, rating organization and the public in general are much better off with a state association organized strongly through local boards.

Wilson County Activities

President J. R. Raines of the Wilson county board submits some of its activities as follows:

1. Every member of our exchange is a member in good standing of the state association.
2. We have no delinquent dues by any member. We have 23 members.
3. During the past fire prevention week we offered cash prizes for essays written by high school students on the subject of "Fire Prevention," and created quite a lot of interest among the students and their teachers. The winning essays were published in local newspapers.
4. We secured the Aetna Casualty safety special, and in cooperation with the state police patrol and our local police force some several hundred persons took driving tests for the prevention of accidents.
5. We have regular monthly meetings, every third Thursday afternoon in each month, and our attendance is practically 100 percent.
6. We have tried to cooperate in every respect with the state association, particularly during the past session of legislature.

(CONTINUED ON PAGE 28)

Jennie Sue Daniel Retires as Editor of Agency Bulletin

Mrs. Jennie Sue Daniel, editor of the "American Agency Bulletin," has retired from its service after 12 years at its mast head. She is succeeded by George Du R. Fairleigh, who has been assistant with the title of managing editor.

Mrs. Daniel has done a fine piece of work and has a wide acquaintance with the membership. She was regarded as the "daughter of the regiment." In addition to her editorial work, she wrote many of the state papers and addresses, so versed was she with the work at hand and forceful in style.

Marked Changes to Be Made

Mrs. Daniel was not in accord with all phases of the new policy adopted. It was hoped that some plan would be worked out that would retain her service but evidently much feeling developed and her connection was terminated. She has made no plans for the future.

Mrs. Daniel is a skilled writer and for many years was on the editorial staff of the "Insurance Field," stationed at Atlanta.

In keeping with the decision reached by the executive committee of the National association at the Hollywood convention, marked changes in the content of the "American Agency Bulletin," organ of the body, will be undertaken with a view to making it more attractive and profitable to the membership. It is proposed to include in the publication each week material that will have greater appeal to local representatives from an educational, business production and agency standpoint. Part of the intended development will appear in the May 26 issue and steady improvement thereafter is proposed. It was emphatically declared the "Bulletin" in its revised form will in no sense attempt to compete with the established trade papers, which it was held "so admirably and completely cover insurance news that it would be folly to undertake even a gesture in trying to emulate them." High praise was accorded the trade press editors for the extent and quality of their service to the industry.

Has Three-fold Function

The "Bulletin's" sole object, it was stressed, will be to conform to the plan of helping its members and the business as a whole, "from an educational, production and agency standpoint."

Mr. Fairleigh has been connected with the office since June, 1936, before

Will Preside



L. CALVIN JONES, Youngstown, O.

President L. Calvin Jones of the Ohio Association of Insurance Agents will be in the chair at the mid-year meeting at Columbus Friday of this week.

that in turn serving as assistant secretary of the "Insurance Field" of Louisville for 11 years. Still earlier he was director of publicity for the Louisville junior board of trade, his general experience covering a broad range.

Jerome Van Wiseman, who will aid in moulding the policies of the publication, was previously connected with an advertising agency in New York City. It was Mr. Van Wiseman's survey of the situation and his recommendations that brought about the change.

Adjusters' Meeting Next Month

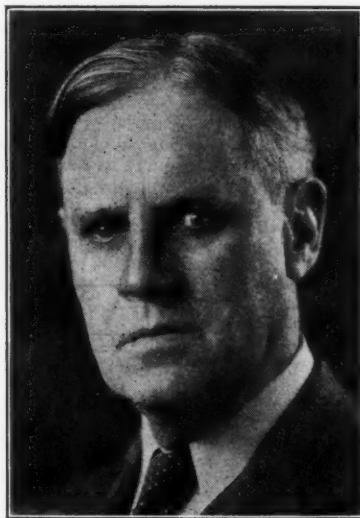
V. A. Nichols of Washington, D. C., vice-president National Association of Independent Insurance Adjusters, announces that the annual convention to be held in that city, June 22-24, will be in the Washington Hotel. Mr. Nichols is chairman of the convention committee, his associates being J. N. Curley, Philadelphia; Arthur Furst, Buffalo, and J. C. Greene, Raleigh, N. C.

345 of your questions answered in **Right to the Point**. \$1. National Underwriter.

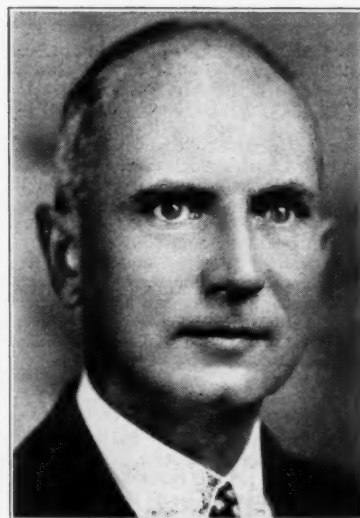
STATE ASSOCIATION PRESIDENTS AT CONVENTIONS THIS WEEK



CARROLL S. MORROW
Kearney, Neb.



D. A. CLARK
Sweetwater, Tex.



ANDREW A. COOPER
Rome, Ga.



JAMES H. WOODSIDE
Greenville, S. C.

Reynolds to Coast as Joint Manager with C. D. Lasher

Howard A. Reynolds, for some time state agent of the Home for Colorado, Wyoming and New Mexico, with office in Denver, has been transferred to San Francisco as joint manager with Resident Secretary C. D. Lasher. The activities of the latter, heretofore confined to San Francisco, will be extended to include California, Oregon, Washington, Nevada, Alaska and the Hawaiian

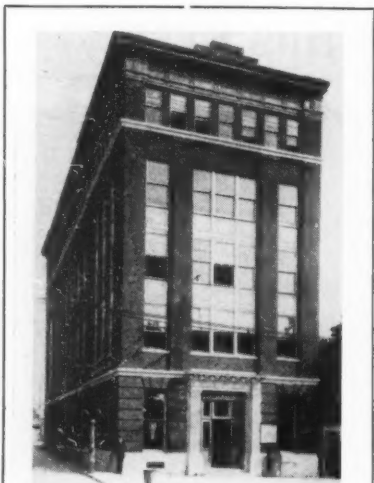


HOWARD A. REYNOLDS

Islands. Mr. Reynolds will confine himself for a time to supervising California. His successor as state agent for the three mountain states is John M. Heath, heretofore special agent under Mr. Reynolds.

Associate Manager P. A. Normand continues in charge of San Francisco business, Assistant Manager H. S. Coburn also continuing his former functions.

Mr. Reynolds began his underwriting career with the Minneapolis agency of Jones-Davis in 1909. Following his return from the world war he was appointed special agent of the Home in Montana, being advanced to state agent in 1925. He was transferred to Denver, with jurisdiction over Colorado, Wyoming and New Mexico, three years later. Mr. Heath became special agent of the Home in Colorado in 1918.



ENTIRE BUILDING TO LEASE
153-22 JAMAICA AVE.
JAMAICA, NEW YORK CITY

This light, airy Corner Building, 5-story and basement, consisting of about 17,000 square feet available floor space.

Immediate Occupancy.

CHARLES P. STEWART

91-92 Sutphin Boulevard, Jamaica, N. Y.

Book Review for Insurance Men

By SIDNEY R. KENNEDY

President Buffalo Insurance Company

In reviewing "Finnegans Wake" by James Joyce, Clifton Fadiman in the "New Yorker" entitles his article, "Don't Shoot the Book Reviewer; He's Doing the Best He Can." In "The New York Times Book Review," Padriac Colum, who ought to know his Irish, spends most of two pages in endeavoring to show his readers a way "to approach the book with lessened perplexity." He emphasizes "lessened" by confessing that "there is much in the book that he is still seeking explanation for." In plain English Mr. Colum doesn't know what it is all about.

Has an Insurance Angle

What should interest insurance men in "Finnegans Wake" is the subjoined which is ignored by both Mr. Fadiman and Mr. Colum. The title is taken from an Irish-American vaudeville song which deals primarily with an attempt by a man and his wife to swindle a life company out of \$20,000.

Mr. Colum says it was a song about a hod carrier who fell off his wall, who was thought to be dead, who was given a wake, and who, at the mention of whisky, resurrected himself. Mr. Fadiman says Finnegan was a contractor who fell from a scaffold, and thinks the anecdote parodically embodies the myths of the "Fall" and the "Resurrection," although he advises against placing any bets on this interpretation. Mr. Fadiman is probably right as to Finnegan's occupation as it is improbable that a hod carrier would carry (in addition to his hod) \$20,000 life insurance.

Pat Malone Featured

In the song the man's name was Pat Malone. The first time I heard it was about 1900 at a smoker given the Yale Glee Club by the Kansas City alumni. The last time was only a few years ago at the Fox Film studio outside Los Angeles. The gentleman assigned to show us around asserted that in his opinion current songs were not nearly so amusing as those written thirty or forty years ago, and he mentioned with enthusiasm the Pat Malone lyric. Neither of us could recall all the words, but by combining our recollections we pieced it out in full. Standing on a lot between scenes depicting respectively the New York City Elevated Railroad and a tropical jungle, we sang it as a duet to the amusement of my wife and her sister. It begins as follows:

Times were hard in Shantytown,
Everything was going down,
And Pat Malone was pushed for ready cash;

He for life insurance spent
All his money to a cent,
And all of his affairs had gone to smash.

It then occurred to Mrs. Malone, evidently a resourceful and unscrupulous woman, to perpetrate the fraud on the life company by faking the death of her husband. Perhaps she had read Lever's great Irish novel, "Charles O'Malley," in which Charles' uncle, a member of the Irish parliament, escapes from his Dublin creditors by the same device and goes home to a section of Ireland where non-resident creditors were shot on sight.

Mr. Malone, a weak moral character, thinks his wife's plan would be a happy solution to his over-extended financial position due to his excessive enthusiasm in having purchased \$20,000 life insurance.

So Pat laid him down and tried
To make out that he had died
Until he smelt the whisky at his wake.

The failure to arrange for giving him a fair share of the pooten proved unendurable, and raising himself in his coffin he uttered that immortal line:

"You've got to get me drunk to keep me dead."

This seems to have been satisfactorily arranged and the funeral ceremonies

then continue until it is time to take the supposed deceased to the cemetery.

Then they gave the corpse a sup,
Afterwards they filled him up,
And laid him in the coffin with a prayer,
But the driver of the cart
Said "By gosh, I'll never start
Until I see that someone pays the fare."
Then Pat Malone forgot that he was dead,

He sat up in his coffin and he said:
"If you dare to doubt my credit
You'll be sorry that you said it,
Drive on now or the corpse will smash
your head."

"Finnegans Wake" is the first book for many intervening years by Mr. Joyce



SIDNEY R. KENNEDY

since "Ulysses" which nearly got banned from the United States because of its alleged obscenity. In a decision both scholarly and amusing Judge John M. Woolsey of the federal court decided to admit it. In "Finnegans Wake" this criticized quality seems to have been handled more subtly. There are two knockabout comedians named Shem and Shaun, and one of them delivers to 29 Dublin virgins a homily which Mr. Fadiman thinks is funny and thinks is very obscene. This might perhaps excite the curiosity of the average insurance man if he could understand the language employed by Mr. Joyce.

However, his ability to do so seems doubtful. Heretofore novels and their vocabularies have dealt with a world of three dimensions: "Finnegans Wake" adds a dimension.

Sixteen Bid—Seventeen Asked

Mr. Colum says Joyce spent 16 years writing it. Mr. Fadiman says he doesn't believe Joyce would spend 17 years in the elaboration of a gigantic hoax. The closing quotation seems to be 16 bid: 17 asked.

As a precaution for the benefit of insurance men considering the purchase of "Finnegans Wake" I quote its beginning and ending. It begins in the middle of a sentence:

"Riverrun, past Eve and Adam's, from swerve of shore to bend of bay, brings us by a commodious vicus of recirculation back to Hough Castle and Environs." It ends:

"Yes, tid. There's where. First. We pass through grass behush and bush to. Wish! A gull. Gulls. Far calls. Coming, far! End here. Us then. Finn again. Take bussofthee, mememoree! Till thousandsthee. Lps. The Keys to. Given! A way a lone a loved a long the."

It occurred to me that I might have been better able to review "Finnegans Wake" if I bought and read the book, but in the first place nothing could have induced me to do so, and in the second place most reviews sound as if the re-

"Ad" Conference Has Mid-year Rally

NEW YORK—Clark W. Smitheman, Camden Fire, presided over the fire and casualty group session during the mid-year meeting here of the Insurance Advertising Conference. F. Sidney Holt, Aetna Fire, spoke on the value of using advertising agencies, particularly for companies advertising in national magazines.

H. K. Schauffler, National Board, talked on "Which Tools Are Sharpest." He reported that the number of companies cooperating with his organization has increased from 70 to 185 in the past year. The best tool for agents for today and tomorrow, he said, is education on program advertising. All high schools and colleges should include in their curricula courses on insurance, the speaker stated, because college men and women will be the ones to get the jobs of today and tomorrow. He invited a discussion on house organs and their value as a good educational tool.

Should Have Real Message

It was generally conceded that unless a house organ has an important message it is of little value. Attention was called to the use of broadsides, such as that put out by Security of New Haven, which has received very favorable mention.

The field man, Mr. Schauffler said, should be furnished with proper material to educate the agents and the advertising men should follow up to see that the material is used to the best advantage.

Mr. Schauffler appealed to all companies to use the National Board seal on all advertising material and policies, indicating that they are stock companies.

At the luncheon Ray C. Dreher, Boston and Old Colony, president of the I. A. C., presented Silliman Evans, chairman of Maryland Casualty, who expressed his great belief in advertising. Program Chairman David C. Gibson, Maryland Casualty, introduced the luncheon speaker, C. R. Smith, president American Air Lines, who spoke on "Pioneering An Advertising Program for Air Transportation."

Aetna Shows Sound Film

Following the luncheon the Aetna sound film "Aetna On Guard" was seen.

T. L. Kane, president Spectator Publishing Co., talked on the insurance press which he described as "capable, friendly, intelligent interpretative body to the insurance business." He traced the part the insurance trade papers have played for the past 75 years and the service they have rendered to the business.

"In no sense of the word," he declared, "are they parasites asking for contributions. They ask only for the thoughtful consideration of responsible officials to the preservation of that part of the insurance press dedicated to the highest principles upon which they have always conceived the business of insurance."

The afternoon speakers were C. W. Van Bynum, Travelers, whose topic was "Can They Be Reached Without Advertising," and Ralph W. Smiley, Royal-Liverpool, talking on "Cultivating Prospects and Policyholders by Mail." Attendance exceeded 100.

R. W. Smiley's Talk

Mr. Smiley commented that most agents hold widely varying opinions as to the use of mail circularization. He characterized it as a piece of auxiliary machinery which can be operated at small

(CONTINUED ON PAGE 10)

viewer had omitted reading the book he was reviewing, anyway.

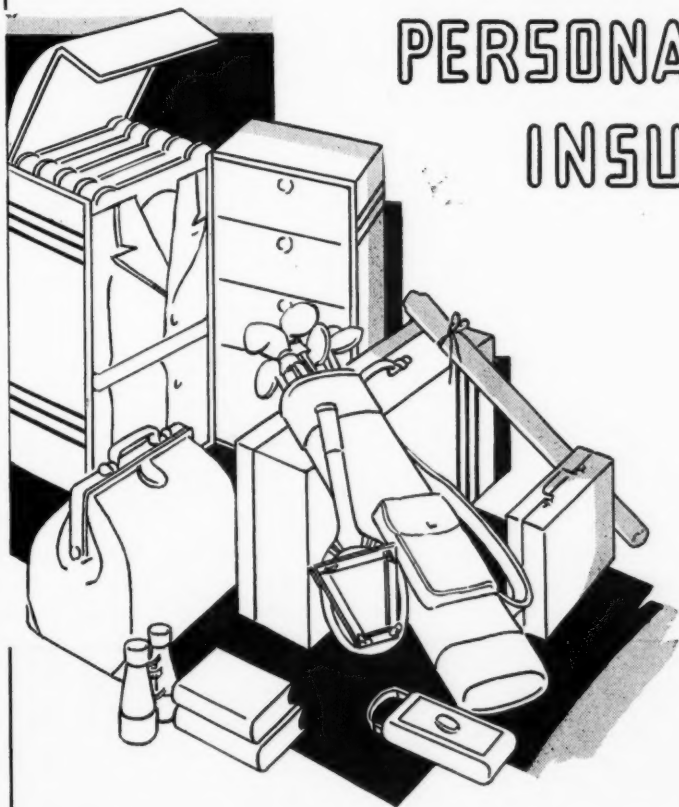
So I do not know whether Mr. and Mrs. Finnegan's plot to defraud the life company was or was not successful.

AWAY FROM HOME

Nearly everyone carries insurance on their personal effects while in their homes and at this time of the year when the vacation season is at hand, increasing numbers are recognizing the need for



PERSONAL EFFECTS INSURANCE



to cover the more varied risks to which such property is subjected away from home; for example, while in transit, at the office, or while in hotels, golf clubs, jewelers, tailors, laundries or cleaners, in fact, practically anywhere outside of the home.

Personal effects of husband, wife and unmarried children residing together are insurable under this one policy practically anywhere, any time while away from home.

Write for the attractive circular describing this form of insurance offered by these companies.

PROVIDENCE WASHINGTON

INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND
INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

ANCHOR INSURANCE COMPANY

Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00



In Good Company

An Agent is enviably situated when he can . . . because of consistent mutual progress . . . point with pride at the Company with which he works. But such progress doesn't occur of its own free will. It must be firmly rooted in the Company's financial strength . . . it must be cultivated through the untiring efforts of both Company and Agent . . . it must benefit Client, Agent and Company alike.

Are you in good Company?



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.
NEW YORK OFFICE: Central Fire Agency, Inc.
92 William Street, N. Y. C.
CHICAGO OFFICE: 209 West Jackson Boulevard
SAN FRANCISCO (Fire 425 Montgomery St.
OFFICES: (Marine 222 Sansome St.



VIEWED FROM NEW YORK

By GEORGE A. WATSON

DECIDE AGENCY CONTINUED

The New York Fire Insurance Exchange has voted that the redistribution of stock of a former principal stockholder in a broker agency office among his sons continued the organization following his death. Some maintain that a change of the principal ownership of a firm in this way constituted a change in ownership. The membership committee had voted that such redistribution did not constitute a change. The debate grew in the appeal of Frenkel & Co. from the executive committee decision that such redistribution did constitute change in principal ownership. Frenkel & Co. represent the Northwestern F. & M.

N. Y. DEPARTMENT'S FAIR EXHIBIT

The New York department has an exhibit at the New York fair depicting through an illuminated display the amount of business out-of-state insurance companies do in New York. The exhibit also shows the tremendous growth of the insurance business since 1860.

BETTER RECORD IS SHOWN

A decrease of \$5,261 in unpaid earned premiums due fire and casualty companies last December, compared with the record for the same month of 1937, is revealed in the report of the Central Bureau to the department. The amount due fire companies last December was \$13,376, and that due casualty offices \$94,112.

INTEREST IN PRIVATE PLACEMENTS

Investment departments of fire and casualty companies are interested in the fact that the Securities & Exchange Commission during the next few weeks intends to focus its attention on the issue created by the private sales of entire issues of securities to life companies and other institutional investors. Interest in these deals was heightened by the news last week that Commonwealth Edison had sold direct to a group of 14 life companies \$114,500,000, 3½ percent bonds, refunding a like amount of 4 percent and 3¾ percent securities. It is estimated that since 1934, \$2,000,000,000 of securities have been handled through private placement.

The fire and casualty companies very rarely are invited to participate in these deals. They do not invest in anywhere near the volume that the large life companies do and because of the private placements fire and casualty companies

have been deprived of the opportunity to purchase many desirable bond issues in the past few years. Not only that, but they have lost good bonds in refunding deals where the refunding issue has been taken up entirely by private placement with life companies.

VISIBLE BUSINESS RECORD

Encouraged with the reception accorded its rate-chart campaign last year, the Phoenix Assurance-London Guarantee group has now published a visible business record for use of its agents, the arrangement of which will enable representatives to quickly list all lines an assured carries, and those that might still be solicited.

INSURANCE CODE PASSED

The New York senate has passed the Piper bill which is the insurance code bill in New York. It now goes to the house for concurrence in some of the amendments. The bill had already passed the house.

Chairman Piper of the New York legislature's committee on insurance law revision has introduced a resolution to extend the life of his committee for another year and appropriating \$30,000 for expenses. Continuation of the committee will permit it to consider further amendments which would remedy flaws already discovered and those which are bound to come to light with further time to study the document.

Protests Concentration of Cover

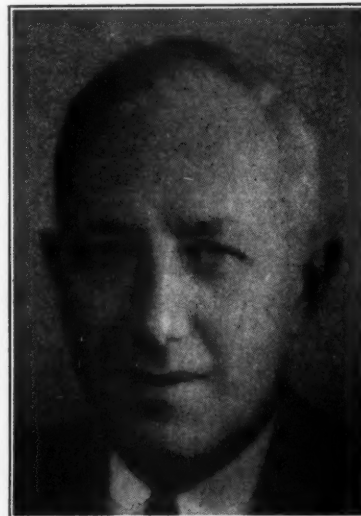
NEW YORK—A letter by General Counsel W. H. Bennett of the National Association of Insurance Agents, addressed to Nathan Straus, administrator of the United States housing authority, asserts that although Straus, in addressing the Conference of Mayors here Tuesday, emphasized the benefits that would result from the low-rent housing program, he failed to say "that these projects will not be locally insured if the present plan of concentrating the insurance in Washington and placing it in non-admitted, cut-rate insurance companies prevails."

"What are you going to do about it?" Mr. Bennett asked.

H. T. Hardy Named Special Agent

H. T. Hardy has been appointed special agent of Travelers Fire and Charter Oak Fire, with headquarters at the Travelers San Francisco branch.

Insurance Advertising Leaders



DAVID C. GIBSON, Baltimore
Conference Vice-president



R. C. DREHER, Boston
Conference President

*You've Gotta Dig-
to get results!*

Plant the seed of
Advertising and Sales
Helps provided
America Fore Agents
and you will reap a
profitable premium
harvest.

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

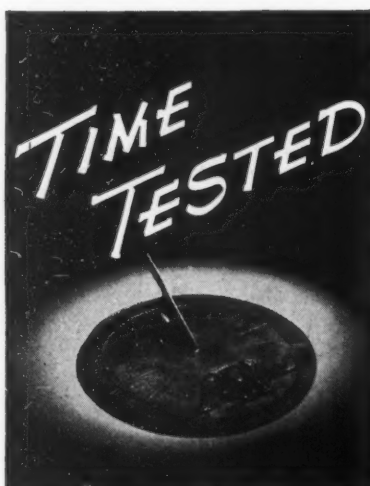
MONTREAL



NATIONAL UNION

FIRE INSURANCE
COMPANY

PITTSBURGH
PA.



AS
A
GOOD AGENCY
COMPANY



Insurance Credit to Be Well Discussed

Plans for Annual Gathering of the Group at Grand Rapids

Use of the insurance statement form of the National Association of Credit Men to acquire credit collateral or guaranteed assets will be the theme of talks by speakers at the credit congress of industry and the annual convention of the National Association of Credit Men at Grand Rapids June 12-15.

The activities of the insurance group, as a service organization to the credit associations, will include an analysis of the accountant's potential assistance to his customer by an insurance review in the light of the insurance statement form. An invitation is extended by national chairman, Don C. Campbell, America Fore, at Chicago, to delegates to attend the insurance group meeting.

Three speakers are scheduled for the program which will begin at 9:30 a. m., June 13. Mr. Campbell will open the session.

"Insurance in the 1930's and the 1940's," is the subject of an address by Dr. F. G. Dickinson, professor of insurance and economics University of Illinois.

"The Insurance Statement form and Credit-Insurance Forums," will be discussed by T. A. Fleming, National Board.

"Circulating Inventories and the Insurance Statement Form," is the topic of R. M. Swisher, management engineer.

The revised insurance statement form, which was modernized and streamlined under the sponsorship of the insurance group, will receive much discussion.

Mid-Year Rally of "Ad" Conference Is Held in N. Y.

(CONTINUED FROM PAGE 6)

expense but which must be done intelligently. Some of the elements of equipment, he mentioned, as prospect lists, prospect and mailing records, advertising literature, letters used either with or without enclosed literature, followup activities. The care with which a mailing list is compiled and maintained has much to do with the results which follow its use, he opined. To keep a prospect list live and accurate requires that it be conveniently flexible in form. Mr. Smiley said that to exert their maximum influence, advertising folders of the enclosure type should in most instances be accompanied by a letter on the agent's stationery. In mail circularization, he said, a good follow through is necessary to a good score. A perennial question which apparently has yet to be satisfactorily answered to the satisfaction of the agents themselves is, "Are short letters better than long ones for soliciting purposes and how can an appropriate length best be determined?"

Julian Honored at Dinner

BIRMINGHAM, ALA. — Appreciation of Frank N. Julian, Alabama commissioner, was expressed at a dinner in his honor preceding the annual convention of the Alabama Association of Insurance Agents in Birmingham.

Charles L. Gandy, past president of the association and also of the National association, was general chairman of the event, attended by 300 agents, friends and associates. Frank Spain was toastmaster. Impromptu speeches and testimonials were made by visiting insurance commissioners from several states, supreme court justices and men prominent in insurance circles and in state activities.

President F. A. Hubbard of the Hanover Fire is in Chicago this week visiting the western department.

Carpenter Explains Pacific Board Plan for Reorganization

LOS ANGELES—S. L. Carpenter, Jr., manager of the Pacific Board was the principal speaker at the meeting of the Associated Agents in Hollywood. He gave the men a picture of the plans for the reorganization of the board and its possible effect on the agency force. He pointed out that the board formerly had operated through committees and that the committees had the final say in all matters. Under the new plan the administrative force, under the manager, will be the operating force, and the number of committees has been reduced to six. He explained the system under which the board will operate, now that the change has been decided upon.

W. H. Menn, president of the National Association of Insurance Agents, also was a speaker, telling of the benefits to be derived from membership, and of the work of the association.

Robert Patterson, who is in charge of the extension course on insurance being conducted under the sponsorship of the University of California talked on the course and explained how it operated and what the requirements for participating in it consisted of.

CHICAGO

GOVERNING COMMITTEE MEETS

All members of the Western Underwriters Association governing committee were present at the meeting in Chicago Tuesday. The members outside of Chicago on hand were E. W. Hotchkin, Royal L. & L. & G.; R. D. Safford, Travelers Fire; Wilfred Kurth, Home; J. C. McKown, St. Paul F. & M.; F. W. Koeckert, Commercial Union; Robe Bird, American, and Fred M. Gund, Crum & Forster.

A subcommittee was named to make recommendations for membership of the so-called comprehensive committee that is to study collateral lines and what can be done to bring about more desirable conditions relating thereto.

CHORAL WORK BY BROKERS

The Insurance Brokers Association sponsored a very delightful function Wednesday evening in Kimball Hall, Chicago, in presenting its male chorus in concert. The program was of a particularly high order, the rendition by the broker vocalists being finished. The "Brokers Chorus" has been attracting much attention. There were 36 men in the chorus.

MISS WESTLAKE IS HONORED

Miss Maude Westlake, director of personnel in the western department of Springfield F. & M., has been elected corresponding secretary of the Chicago Zonta Club. This is an international organization composed of professional women and executives. Miss Westlake has appeared before a number of audiences, representing the club, speaking on insurance.

RODGERS HAS BUSY WEEK

Wallace Rodgers of Chicago, assistant manager Western Underwriters Association, was a busy man in Wichita, Kan., last week, addressing the Rotary Club, Credit Men's Association, Wichita Insurers and the Metro Club on Thursday, in addition to making the principal address at the Business Development meeting on "Public Relations." He also attended the Blue Goose functions and the Kansas Fire Underwriters association meeting.

Fred J. Summer, president of the Summer agency on the south side of Chicago, underwent an operation in the Woodlawn hospital.



THE ARCH OF TIME

145 years have marched across
the arch of time since the
founding of the Insurance
Company of the State of Penn-
sylvania on April 18, 1794.

And the keystone in that arch
has always been intelligent co-
operation with the progressive
agent to provide maximum
protection, prompt settlement
of claims, and continuous effi-
cient service to the insurance
buyer.

Fire and Accessory Lines



THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA

Chartered in 1794

PHILADELPHIA, PA.



SIX STROKES OFF MY SCORE, man, no foolin!
That golfers' policy did it! Now I can concentrate
on the ol' ball. No more worry about who my
slice hits or who's gonna limp off with my clubs. My
LOYALTY GROUP agent can fix you up — it's the
Golfers' World Wide All Cover Policy—a smart buy!

H. ARMSTRONG ROBERTS

Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company

FIRE • MARINE • CASUALTY • SURETY

Loyalty Group
INSURANCE

Western Department
844 Rush St.
Chicago, Illinois

Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

NEWS OF FIELD MEN

Honor Stuart's 25 Years in Iowa Field

Nearly 100 field men, local agents and friends attended the complimentary banquet and testimonial in Des Moines, honoring J. C. Stuart, Iowa state agent Aetna Fire, who has completed 25 years of continuous service for his company in the Iowa field. C. W. Borrett, Iowa state agent of the Hanover, was toastmaster, replacing Will H. Harrison, National, who has been ordered by his doctor to take a rest.

Mr. Stuart is the 26th Iowa field man honored by such a banquet. The

custom of honoring 25-year men is one that is peculiar to the Iowa field. Honored guests from the western department of the Aetna in Chicago included W. N. Achenbach, western manager; S. K. Bjornson, assistant manager Rain & Hail Insurance Bureau, and R. E. West, manager Century Indemnity. Mr. West unfortunately was taken ill with the gripe upon his arrival in Des Moines and missed the banquet.

Brief testimonial talks were made by Mr. Achenbach, Fred Brake, Great American; H. W. Lindquist, Aetna Fire Nebraska state agent; Stuart Busch, Gladbrook, Iowa, a nephew of Mr. Stuart; J. H. Bunten, Hanover; Painter Knox, Council Bluffs local agent; R. M.

Evans, Des Moines local agent; N. P. McGovern, St. Paul Fire & Marine, and various other field men and local agents.

McCann Named New Head of Alabama Blue Goose

The Alabama Blue Goose elected John McCann, independent adjuster of Montgomery, most loyal gander at the annual meeting and dinner-dance in Birmingham. Other officers are: Claude Boykin, Bankers Fire & Marine, supervisor; R. H. Helvinston, Aetna Fire custodian; E. H. Mathewes, North America, guardian; Sellers Lightfoot, Firemen's group, keeper, and Dillon Overton of Johnson-Overton, wielder. H. G. Walker, retiring most loyal gander, and Mr. McCann were elected grand nest delegates, with Mr. Boykin as alternate.

Five new members were initiated and two received by transfer. George Edmundson of Tampa, district deputy most loyal grand gander at large, was a guest.

The Ladies of the Blue Goose elected these officers: Mrs. Claude Boykin, president; Mrs. William Ward, vice-president; Mrs. Dillon Overton, secretary, and Mrs. Frank Cogdill, treasurer.

Home Makes Changes in Southern Field Staff

A number of changes in field supervision in the southeastern territory are announced by Home of New York.

J. C. Cook, Jr., becomes state agent in North and South Carolina for National Liberty and Georgia Home. He was formerly a special agent for the Home in North Carolina. His headquarters will be in Charlotte, N. C. Before going with the Home he was with the Florida Inspection Bureau and the Virginia Rating Bureau.

H. H. Phelps, formerly with the North Carolina Rating Bureau, joins the Home as special agent in western North Carolina succeeding Mr. Cook.

C. R. Willcox is named Georgia state agent for National Liberty and Baltimore American. He was formerly special agent in the same territory.

L. J. Saye, formerly of the Georgia Rating Bureau, succeeds Mr. Willcox as special agent in Georgia.

G. L. Steeples Heads Kansas Fire Prevention Association

At the annual meeting of the Kansas State Fire Prevention Association in Wichita, Vice-president G. L. Steeples, Home, was advanced to president; Secretary J. G. Updegraff, Royal, to vice-president, and V. E. Herbert, National-Ben Franklin, was elected secretary. Clyde G. Latchem, recently appointed Kansas state fire marshal, was guest

speaker and elected to honorary membership. Retiring President C. E. Blackley, Northern, presided.

Maynard Whitelaw of the Parsons, Kan., office of the Western Adjustment won the annual golf tournament of the Kansas Blue Goose, taking both low gross and low net. J. A. Klinkenborg, Phoenix of Hartford, was second and Shelby Holmes, Royal, third. About 50 members were present for the tournament and Dutch lunch and entertainment which followed. In a bowling tournament between the Topeka and Wichita teams, the Topeka team won.

The women's auxiliary of the Sunflower puddle elected these officers: Mrs. L. T. Stubbs, president; Mrs. Van B. Higbee, vice-president, and Mrs. H. L. Knisely, secretary-treasurer. Mrs. W. F. Ehret, retiring president, was presented an evening bag.

Service to Public Key to Future of Stock Insurance

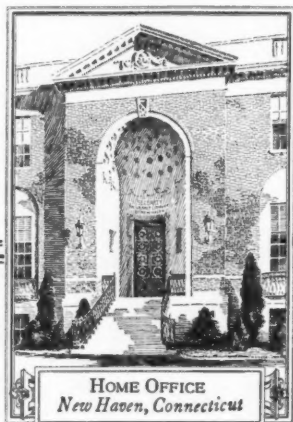
CLEVELAND—At the last formal meeting of the Cleveland Field Club, Clayton G. Hale, Cleveland agent, spoke on the "Handwriting on Our Wall." Factors bearing on the future road to be traveled by stock insurance were reviewed by Mr. Hale, with particular reference to participating plans being introduced by the stock companies, such as the safe driver reward plan. It is entirely possible that the functions which stock insurance has carried out and which have brought it to its tremendous present position must be changed with the shifting economic system. However, stock companies with alertness can readily adapt themselves to new conditions with greater success, he said.

Although insurance is almost sufficiently standardized to be sold over the counter as a commodity, the real essence of the commodity is a form of personal service which is currently dispensed through agents. If such service is delivered in good measure, the public will continue to show a preference for it. Mr. Hale feels that the issue will not be settled by simply extolling the past success of the profit form of doing business because this is a rear guard action and wars are never won that way. The issue will be settled by who serves the public best, he said.

Frank James with Firemen's in Ky.

LOUISVILLE, KY.—Frank James, engineer and special agent for Louisville F. & M., controlled by E. S. Tachau and associates, has become special agent for Milwaukee Mechanics, Concordia and National-Ben Franklin. He succeeds Steacy Pickell, who resigned to enter local agency work in Kansas City.

Tom Woods, who some years ago was with the Kentucky Actuarial Bu-



SECURITY In An Insecure World

Armies on the march; wars, military and economic, under way everywhere; city streets honeycombed with bomb-proof dug-outs; babies in gas masks:—what is secure today? Everybody is thinking and talking security. You are well introduced, therefore, when you represent

Security Group

SECURITY INSURANCE COMPANY OF NEW HAVEN

THE EAST & WEST INSURANCE COMPANY

THE CONNECTICUT INDEMNITY COMPANY

"SECURITY FOR AMERICAN PROPERTY OWNERS SINCE 1841"

HANOVER

OPPORTUNITY for you to write MORE Business is what YOU desire.

OPPORTUNITY for US to help is all we ask.

Join the HANOVER FAMILY and let us work with you.

\$4,000,000 CAPITAL JAN. 1, 1938

\$9,213,948 POLICYHOLDERS' SURPLUS

\$15,527,853 ASSETS

LOSSES PAID SINCE ORGANIZATION \$87,940,281

The HANOVER FIRE INSURANCE COMPANY of New York

reau, goes with Louisville F. & M., succeeding Mr. James.

Announce Indiana Speakers

George W. Mercier, Hanover, president Indiana Fire Underwriters Association, announces that there will be two speakers at the annual meeting at Lake Wawasee, June 28-29—M. H. Grannatt, assistant United States manager Royal-Liverpool groups, and Dr. Louis A. Warren of the Lincoln National Life. Dr. Warren, it is understood, has unearthed some interesting facts in the life of Abraham Lincoln relating to fire insurance.

Scarborough Succeeds Wallace

H. W. Wallace, Jr., special agent for Cravens, Dargan & Co., of Houston, with headquarters at Cuero, has resigned to enter the local agency business with a relative in McAllen, Tex.

Houston M. Scarborough, who for several years has been special agent of the hail department, will succeed Mr. Wallace but will have his headquarters at San Antonio where Cravens, Dargan & Co. maintain a service office in charge of Fred Riley, special agent.

Iowa Annual Meetings May 26

The Iowa Fire Underwriters Association and Iowa Pond Blue Goose will hold their annual meetings May 26 in Des Moines. The Fire underwriters will meet in the morning with the Blue Goose roundup starting at 2 p. m. At least six candidates will be initiated. A banquet will be held in the evening.

California Pond Nominations

LOS ANGELES—Nomination for officers of the California Blue Goose are: Most loyal gander, Ray Needham; supervisor, J. E. Shield; custodian, Harvey Kinnel; guardian, K. H. C. Dunbar; keeper, L. L. Brown; welder, Harold Smethurst; delegates to grand

nest, J. Clark Buchanan, past most loyal grand gander, and E. E. Hensley, most loyal gander. The election will be held June 2.

Over 1,000 Inspections at Akron

AKRON, O.—At the two-day inspection here by the Fire Prevention Association of Ohio 1,060 inspections were made and 856 or 80.7 percent were reported defective. J. Burr Taylor, Western Actuarial Bureau, Chicago, T. Alfred Fleming, National Board, and Ray R. Gill, state fire marshal spoke.

Penfield to Oregon Field

Milton F. Penfield, for 12 years special agent of the Royal-Liverpool groups in Idaho, Washington and Utah, has been appointed special agent for Oregon with headquarters in Portland. He succeeds the late Stanley Stillman, Jr., formerly of San Francisco, who died early this month.

Young Quits Virginia Post

J. C. Young of Richmond, has resigned as Virginia special agent for Corroon & Reynolds. He is a son of the late J. P. Young, for many years Kentucky state agent New York Underwriters, and nephew of the late J. M. Young, long Virginia special agent of Georgia Home.

Stiff to Northern of England

The Northern of England has appointed Judd G. Stiff special agent for north Texas, in succession to E. D. Stebbins, resigned. A native of the lone star state, Mr. Stiff served with the rating division of the Texas department and as special agent for several fire companies. His headquarters will be in Dallas.

Indiana Pond's Golf Tourney

Ralph Hukill, Great American, Norwood, O., most loyal grand gander, invited members of the Indiana Blue

Goose, at the dinner following the golf tournament at the Indianapolis Country Club, to attend the grand nest meeting in Cincinnati, Aug. 29-31. He announced that the Indiana pond glee club would have a place on the program. D. C. Pugh, special agent North America, Cincinnati, drove to Indianapolis to attend the dinner with Mr. Hukill. C. L. Donze, from the home office of the Ohio Farmers, was also an out-of-the-state guest.

NEWS BRIEFS

The South Dakota Fire Prevention Association inspected Sisseton, about 17 field men participating. The main talk was made by L. L. Law of Minneapolis, state agent London Assurance. Carl Gibbs, Crum & Forster, who is president of the association, introduced the speakers. Jack Krug, America Fore, reported the findings of the inspectors and Martin Cogley of the Cogley Insurance Agency, Sioux Falls, spoke concerning the schools.

C. A. Woerner, Jr., Indiana state agent Niagara, is in the Methodist Hospital at Indianapolis, following an operation.

Carl V. Nipp, Indiana state agent of the Continental, is confined in a hospital at Martinsville, Ind., by serious injuries suffered in an automobile accident.

The Anthracite Field Club will be addressed next Tuesday at the Hotel Casey, Scranton, Pa., by Stanley Coar, prominent attorney there, on "Human Side of Insurance Lawsuits."

Nat Pieper, F. B. I., addressed the San Francisco Blue Goose. R. H. Griffith was chairman.

The Minnesota Blue Goose held a baseball program at its May 15 meeting. Halsey Hall, radio and newspaper sports authority, spoke.

L. C. Everson of the American, who has had his headquarters at Dayton, O., has moved to 471 Columbian building, Columbus.

The Minnesota Fire Prevention Asso-

ciation will inspect International Falls Wednesday of next week. John G. McHale, New York Underwriters, will make the principal address.

R. E. Vernor, Western Actuarial Bureau, will address a public meeting at a dinner next Wednesday evening in Manistee, in connection with the inspection of the city by the Michigan Fire Prevention Association.

Lack of Uniformity in Farm Field

Lack of uniformity is reported to exist in the farm insurance field in connection with the adjustment of losses under the recently authorized unearned premium coverage. Most of the companies are pursuing the practice of making a cash settlement with the assured in the event of a loss and then treating the insuring of new buildings or property that replace that which was destroyed as a new undertaking, applying underwriting judgment to the new setup. A few companies, however, are treating the unearned premium endorsement as automatic reinstatement insurance and in the event of a loss restore the amount of insurance to that which existed before the loss.

Edinburgh Executive in U. S.

T. E. Stevens, Edinburgh, general manager Scottish Union, arrived in New York this week for a six weeks' stay. He will make a trip through the United States and Canada with United States Manager J. H. Vreeland.

Mrs. Robert Air of Evanston, Ill., mother of Robert D. Air of Kansas City, Mo., state agent in Kansas for the America Fore group, died at the home of her daughter, Miss Kathleen Air, in that suburb of Chicago. Funeral services were held at St. Mary's Catholic Church in Evanston, Wednesday morning. Mrs. Air was born in Cincinnati, Sept. 4, 1851. She moved to Evanston 20 years ago to make her home with her daughter. She had been ill for some time.

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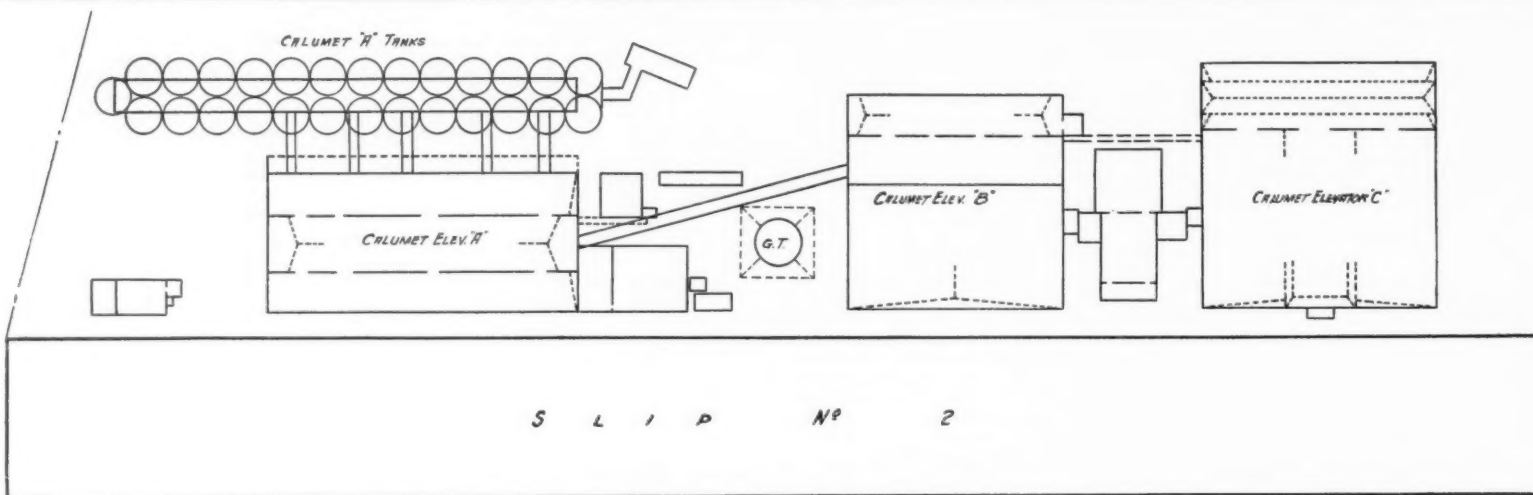
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LAYOUT IS SHOWN OF ELEVATORS INVOLVED IN CHICAGO FIRE



This diagram was prepared by the Chicago Board engineering department especially for THE NATIONAL UNDERWRITER. North in the diagram is directly upwards.

Chicago Elevator Loss About \$3,000,000

(CONTINUED FROM PAGE 3)

sprinklers) in the Calumet houses went out with the rest of the sprinkler system. The Rosenbaum houses contained sprinkler equipment, but it had not been in operation for a number of years and these houses were not rated as sprinklered risks.

Much interest is evinced in the extent of the damage to the concrete tanks, but this has not yet been determined. The bridges and other means of operating the tanks were destroyed and there was no easy means of getting to them. Some observers express the belief that the tanks are spalled off but not broken open. They had a total capacity of 1,000,000 bushels and hope is voiced that the salvage there will be worthwhile. Among the grain there was 150 bushels of soybeans.

Spacing of the Houses

Calumet A was located 200 feet west of Calumet B and the latter was 100 feet west of Calumet C. It was 140 feet from Calumet C to Rosenbaum A and Rosenbaum B was 70 feet south of Rosenbaum A.

The values in these terminal elevators vary from day to day and it may be several days before there is a final report on the amount of grain in the houses and tanks at the time of the fire.

Salvage of grain is problematical. Loss to grain occurred not only from actual burning, but from heat and also water used in extinguishing and wetting down the piles. Usually in elevator fires there is considerable salvage in the base of the piles of grain. Wheat swells on the outer surface of the pile when it is wetted and for some time delays penetration of the water to any great depth. Corn, however, is more easily soaked through. By Tuesday it had started to sprout in places.

Calumet A with 1,000,000 bushels capacity, had a load of about 35 percent at the time of loss; Calumet A tanks (1,000,000 bushels capacity) had a 50 percent load; Calumet B and C elevators combined with a capacity of 2,250,000 bushels had a 45 percent load; Rosenbaum elevators A and B combined, with a capacity of 2,600,000 bushels, had a 40 percent load.

The heavier the load, the greater the potential salvage, according to the experts.

Formerly the heaviest loss ever suffered by the Grain Association was on an elevator of concrete construction, the Northwestern Terminal Elevator in Chicago in 1921. The insurance loss on

grain alone was \$1,394,000. The only other fire that cost the Grain Association more than \$1,000,000 was that to the Chicago, St. Louis & Annex elevator in 1925.

According to custom in connection with grain losses, the adjustment is being handled by the Western Adjustment and Underwriters Adjusting under the general direction of the Cook County Loss Adjustment Bureau.

Although most of the insurance was in the Grain Association, substantial lines were carried outside. London Lloyds had several direct lines as well as being interested by way of excess contracts that will come into play. Some estimate that Lloyds total loss in the conflagration may amount to as much as \$600,000. The Grain Association's total liability is \$2,677,206.

Wineman Brothers, which is connected with the Associated Agencies of Chicago, had the Rosenbaum brothers account. Much of the Norris Grain Company's business was with Moore, Case, Lyman & Hubbard, and the Chesapeake & Ohio line is handled by William D. Callaghan, Inc., a Cleveland agency.

The total insurance on elevator buildings was \$890,775; on tanks, \$200,000; on miscellaneous buildings, \$54,000; on grain, \$2,070,206; on use and occupancy, \$200,000, and on grain charges, \$125,000.

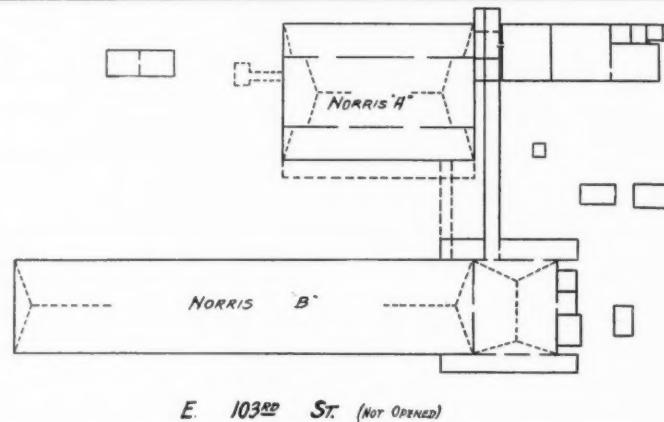
LESSONS IN CHICAGO FIRE

MINNEAPOLIS—In spite of occasional catastrophes like the recent one at Chicago definite progress is being made in reducing dust explosion losses, several hundred northwest firemen were told at the annual northwest fire school.

H. R. Brown, chemical engineer U. S. department of agriculture, said that whereas in the decade from 1919 to 1928 property loss from dust explosion in the United States aggregated \$18,000,000, in the following decade it had dropped to \$10,000,000.

He said the Chicago loss last week is the heaviest on record. He advised firemen in this extensive grain territory to profit from the Chicago explosion and make a survey of local plants where dust explosions are apt to occur. He suggested that managers of such plants be fully informed on the importance of keeping their plants clean and using modern equipment as far as possible.

Proper construction of air conditioning systems so as to lessen the fire hazards was discussed by Clarence Goldsmith of Chicago, assistant chief



engineer of the National Board. He advised that no wood be used in air conditioning construction, that there be shut-offs on each floor and that cleanout ducts be provided in return pipes.

R. E. Vernor, Western Actuarial Bureau, Chicago, had for his subject "Firemen's Training."

N. F. P. A. DRAMA

Proceedings of Fire Preventionists in Chicago Punctuated by Elevator Fire—Dr. Price on Scene

With a \$3,000,000 fire, the largest in the United States since the Chicago stockyards conflagration of 1934, destroying five terminal elevators and cremating eight men just a few miles south of its convention hotel, the closing sessions of the annual meeting of the National Fire Protection Association were depopulated by members either viewing or officially investigating the cause.

Vice-president D. J. Price, engineer U. S. Department of Agriculture, who the very morning the fire broke out reported as chairman of the committee on dust explosion hazards, conducted a probe on behalf of the federal government.

Members attending the N. F. P. A. meeting were commenting that two years ago while it was in session the Hindenburg Zeppelin fell in flames at Lakehurst. During a previous meeting in Memphis some years ago a huge fire in a Cleveland clinic caused many deaths and great damage.

Nuckolls Talking on Explosions

First news of the fire reached the meeting as A. H. Nuckolls, Underwriters Laboratories, Chicago, was giving the report of the committee on hazardous chemicals and explosives. Many members left the hall and ascended to the roof of the Stevens Hotel, 20 stories

above the ground, to view the flames, which were clearly visible from the far south side of the city near Lake Michigan. Some rushed to the scene immediately. The Stevens is just south of Chicago's loop in Michigan Boulevard.

Dr. Price, in reporting on dust explosion in industrial plants, pointed out that extensive losses occur yearly from dust explosions and fires in connection with the handling, milling and processing of agricultural products. However, he said that loss of life and property as the result of dust explosions in some of the principal grain handling industries has decreased considerably in recent years.

Codes for the prevention of dust explosion in the manufacture of aluminum bronze powder and of sulphur dust explosions and fires were adopted following his report.

A highlight of the session was provided by Deputy Chief A. J. Mullaney, Chicago fire department, who had spoken earlier in the week on the use of loud speaking equipment and radio in fighting fire disasters. Two days later the grain explosion and fire gave him the opportunity to give a practical demonstration, which he did most creditably. More than half of Chicago's fire apparatus was summoned to fight the blaze.

Underwriters Laboratories had invited the N. F. P. A. members to a "treasure hunt" through its five story building the afternoon of the day the fire occurred, but the fire provided too much competition. The majority of the "guests" did not show up until late afternoon. However, they found the visit well worth their while.

The N. F. P. A. adopted the report of the committee on automatic sprinklers, which called for complete revision of regulations for the installation of open and automatic sprinkler equipment.

Chief among the revisions was the acceptance of no pipe less than one inch in diameter as the accepted part of a sprinkler system. It was found that the 3/4-inch pipe often became clogged and

corroded during the years between installation and fire.

G. S. Lawler, electrical engineer factory mutuals, said that the number of fires of electrical origin has been growing steadily larger yearly. However, some of the increase need not cause concern because the use of electrical equipment put into all classes of property has increased considerably. A great cause of such fires is that owners of such equipment have not kept it in reasonably good condition. He recommended the passing of a code pertaining to maintenance as an aid in cutting down fires of electrical origin.

The N. F. P. A., upon recommendation of the committee on blower systems, adopted a requirement that air ducts must be inspected quarterly that the amount of dust and waste material might be checked to determine whether or not a need exists for cleaning. Such cleaning would not be vacuum cleaning, but methods of a more positive nature.

F. H. Wentworth, in addition to being presented with a trip around the world in token of his 30 years of service as managing director, was also honored by the N. F. P. A. by being made an honorary member for life. He is one of four living members bearing this honor. Eight others have received it. Other living members are A. T. Bell, Atlantic City, chairman of the board; Reid Miller, consulting engineer, New York City, and H. O. La Count, past president, Boston.

About 300 attended the testimonial dinner for Mr. Wentworth. S. D. McComb, president of the N.F.P.A. and head of the Marine Office of America, opened the proceedings and introduced G. W. Elliott, who is executive secretary of the Philadelphia chamber of commerce. Mr. Elliott spoke in appreciation of Mr. Wentworth, saying that he had magnificently personalized a technical subject. He is a man who has pursued an objective.

Mr. Wentworth, in response, said that in the early days he saw the possibility of creating, maintaining and developing an organization that should engage the attention of other men; that would knit into enduring fabric the talents of others; the accomplishments of which should outdistance the accomplishments of any single individual. He said that the N.F.P.A. attracts "practical idealists." In selfishness, Mr. Wentworth said, there is a dynamic force, a constructive influence that can be translated into public good.

WICHITA POSTERS WIN AWARDS

For the fifth consecutive year school posters from Wichita won awards in the national contest conducted in connection with the annual meeting. The Wichita posters came from a local contest during Fire Prevention Week that has been sponsored for the past ten years by the Dulaney, Johnston & Priest agency in cooperation with the Chamber of Commerce committee. During that time two Wichita posters have been adopted by the N. F. P. A. as their official Fire Prevention Week poster. Wichita was the first city in the nation to interest the college and university students in Fire Prevention Week posters, and for ten years the national contest has included posters from Wichita University.

Mutual Premium Tax Called for in Wisconsin Bill

MADISON, WIS.—Gross premium taxes on domestic mutual fire and casualty companies, except town mutuals, which heretofore have been exempt, are being proposed in the legislature to meet increasing cost of government and to balance the state budget. It is estimated upwards of \$500,000 would be raised from this source. At present the mutuals pay a tax only on premiums in fire department towns.

The date for the annual picnic of the Champaign County Association of Insurance Agents has been changed to Sept. 14 at Champaign, Ill.

Attorney Gontrum New Maryland Commissioner

John B. Gontrum, Baltimore county attorney, has been appointed Maryland commissioner to succeed W. S. Hanna, recently retired.

Thiemeyer to Address Club

The Cook County Field Club, Chicago, will meet May 22 at the Great Northern Hotel. H. R. Thiemeyer, manager brokerage and service department North America, will discuss the new gross earnings coverage.

The third series of educational and

Business Development meetings will be held May 25. Subjects will be extended coverage, personal effects floater policy and camera and equipment policy.

"Fair" Travel Special Issued

National Surety announces issuance of the new world's fair home and travel policy especially designed to protect not only the home of policyholders while visiting the world's fairs or on vacation, but also to give protection to their property against various hazards while traveling.

Ewing Mosley, Texas state agent for London Assurance, gave a luncheon

Tuesday at Dallas, in honor of C. D. Sheffe, assistant United States manager. About 30 were in attendance, including the Dallas agents who represent London Assurance, the fire chief, the fire marshal, and several bank representatives.

Thomas H. Calhoun, 25 years with the Royal Indemnity as claims attorney for the New England department in the agency of Field & Cowles, was given a luncheon in Boston and presented gifts to mark the anniversary. Resident Vice-president Walter C. Small presided.

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EDITORIAL COMMENT

Effect of the Missouri Decision

INSURANCE companies naturally are gratified at the same decision of the Missouri supreme court on the practice of law. Missouri has been the seed bed of queer notions on the rights of lawyers to levy tribute on the public and many of them were nurtured under the nominal patronage of the supreme court itself. In that state the canons of ethics of the AMERICAN BAR ASSOCIATION were made a rule of the supreme court, with some queer modifications engineered by volunteer rescuers of the downtrodden lawyers. When matters became too ridiculous the sensible element of the Missouri bar took charge and piped "down" on many of the weird ideas. Therefore, there has always been hope that the good sense of the bar itself would prevail in the suit brought by the six companies over the activities of adjusters.

There is little for the adjusters or companies to complain of in the ten points laid down by the Missouri supreme court. There is no restriction on the proper activities of adjusters. The decision holding an adjuster shall not state his own opinion as to the legal rights of the company, the insured or the claimant may be overstepping the theoretical rights of the court, but adjusters are bidding for trouble when they violate the court's principles on this point. Many a settlement duly made and signed has been reopened later on the ground that the claimant had relied on the statement of the adjuster about his rights.

The ten points announced by the court were wisely and clearly drawn. They state positively the rights of adjusters on the controverted issues. The statements are so clear and moderate that it is hard to refute them and the effect in other states where similar issues arise cannot help being vastly in favor of the adjusters and companies.

Favorable as it is, the Missouri decision, in attempting to regulate activities out-

side the court room, illustrates how far the infringements of the lawyers and the courts on the common rights of the citizens have progressed from the early days. Courts inherently have no right to regulate matters outside the presence of the judge when he may be presiding in his courtroom.

Courts originally did not even control admission to the bar, and admission to the bar meant nothing except what the term expresses, namely, admission to practice at the bar of the court. The original license to practice of JOHN JAY, later the first Chief Justice of the UNITED STATES SUPREME COURT, is reproduced in facsimile in his biography, "JOHN JAY, Defender of Liberty," by FRANK MONAGHAN. The license was issued by the governor of New York and besides heading, date, salutation, certification, etc., read as follows:

"Know ye, that being well assured of the ability and learning of JOHN JAY, gentleman, I have thought fit to appoint him an attorney at law, hereby authorizing him to appear in all his majesty's courts of record within the province of New York, and there to practice, as an attorney-at-law, according to the laws and customs of that part of Great Britain called England, and according to laws and customs of said province and all judges, justices and others concerned are hereby required to admit him accordingly. By his Excellency Sir HENRY MOORE, baronet, captain general and governor in chief and over the province of New York and the territories depending thereon."

It will be observed that the heart of the license is the permission to appear in court and the command on the justices to receive him. It is a far cry from that state of affairs to the pretensions of lawyers to cut in with fees on the ordinary affairs of life, manifested so strongly by the Missouri agitators, the BIRMINGHAM BAR ASSOCIATION, etc.

Getting a Proper Diversification

PRESIDENT PAUL RUTHERFORD of the HARTFORD ACCIDENT & INDEMNITY, in his interesting address before the North Carolina local agents, spoke directly on all-risk cover liability policy and in the discussion made a number of pertinent observations on products liability insurance, its hazards, the necessity for careful underwriting and scrutiny of the product, and preparation for the future.

Some lines of insurance have been developed which in their original state were

regarded as extra-hazardous. There are some kinds of indemnity that have been offered, and may be still in a limited way, that are regarded as almost uninsurable. For instance, take flood insurance. It is almost impossible to get a flood cover because there is a buyer's market and the selection is always against the company. A company writing flood insurance would only secure policyholders from districts which are perennially flooded. Crop insurance is another classification that seems

uninsurable from the standpoint of private companies.

Mr. RUTHERFORD, in referring to products liability insurance, stated that up to this time at least it has been in the buyer's market because those manufacturers, distributors or sellers of products that were regarded as having potential danger sought indemnity. No effort, Mr.

RUTHERFORD said, has been made to carefully select and solicit businesses in industries of standing and integrity where the risk involved in the sale of their products is not extra-hazardous. Therefore, in order to overcome adverse selection it should be the duty of salesmen to sweeten their offerings and build up a sound basis for products liability.

Advantage of Merchant Tailor

K. F. WENZ, head of the insurance department of the CHAMPION PAPER & FIBER Co. of Canton, N. C., in his talk before the North Carolina agents, made a very urgent plea for the merchant tailor in insurance salesmanship rather than the custom or ready made merchant. That is, the agent who is satisfied to have in his stock only ready made clothes cannot fit a suit to his customer but he tries to fit his customer to

the suit, without regard to his needs.

Mr. WENZ declared that a specialist in insurance is still a rare specimen. The specialized service, he maintains, is something eminently to be desired in a local insurance office. The merchant tailor agent cuts his cloth, measures his assured and attempts to emerge with a perfect fit. The ready made suit agent cannot expect to secure the results that his competitor can.

Unprotected Areas and Fire Protection

ONE of the observations that may be made on the NATIONAL FIRE PROTECTION ASSOCIATION meeting was that out of the mass of technical details and reports the fact was stressed that while losses have been reduced very materially in what might be called thoroughly protected points, the so-called rural loss ratio still continues high. N. F. P. A. people estimate that from 60 to 70 percent of the

national total loss each year occurs in towns and villages under 2,500 population and on farms. In these localities fire protection is very limited although it can be said that improvement has been made in later years. Better fire protection would be a boon to these areas. That would bring about a material decrease in rates which would enable stock companies to obtain much more of the business.

PERSONAL SIDE OF THE BUSINESS

Although shifted from Florida to Alabama and then to Tennessee, James Dorris, field man for the Great American, went back to Lakeland, Fla., for a wife—Miss Edna E. Maddox. They will reside in Nashville.

Thomas G. Linnell, Minneapolis general agent and active in insurance organizations, was married there to Dorothy Skinner.

A youthful veteran in the insurance business, W. H. Harrison of Des Moines, state agent National Fire, celebrated last week his 35th anniversary in the Iowa field. He is now on a business and pleasure trip and is expected to resume his duties the latter part of the month. He is making a trip to the San Francisco fair and a short visit in Arizona.

Mr. Harrison started in the insurance business in 1904, at the age of 22, with the National as a special agent. Several years later he went with a Davenport local agency and later with the Commercial Union. He again joined the National Fire and has been with the organization for the past 19 years. He is now president of the Insurance Federation of Iowa and takes an active part in the various insurance organizations.

R. M. Hill of Denver, general manager of the Rocky Mountain department Fire Companies Adjustment Bureau, is making his annual trek to the east. New

York, Chicago and Detroit are included in his itinerary. He will attend the annual meetings of the National Board and the bureau.

Charles H. Parsons, vice-president Brooks & Stafford Company, Cleveland, was surprised by his agency associates with a party on his 70th birthday. He is still one of the most active of Cleveland agents. A Swiss-Longines watch was presented by the Queen in recognition of more than 50 years service.

H. A. Miller of the Illinois insurance department entered the grandfather class Monday of this week when a son, Michael Meacham Hench, was born in the Presbyterian Hospital, Chicago, to Mr. and Mrs. John David Hench. Mrs. Hench is Barbara Miller Hench, Mr. Miller's daughter. The father is a well known broadcaster for NBC and Mrs. Hench was formerly in radio work. An uncle of John D. Hench is David Meacham, Chicago manager of the Hooper-Holmes Bureau.

En route home from a month's agency trip through Florida, Louisiana, Alabama and Texas, H. J. Thomsen of the Corroon & Reynolds companies attended the annual convention of the North Carolina Association of Insurance Underwriters at Pinehurst.

The W. V. Fort agency at 500½ Austin avenue, Waco, is taking a special interest in the meeting in its city this



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week of the Texas Association of Insurance Agents. It was in the agency of W. V. Fort that the Texas association was founded in 1898. The agency still uses the desk on which the first minutes were spread. The desk is being placed at the disposal of the association at this meeting.

John W. Murphy, local agent of Peoria, Ill., announces the arrival of a son, John Brian Murphy, weight 9 pounds, 7 ounces.

John A. Stevenson, president Penn Mutual Life, has been elected a director of Fire Association of Philadelphia.

C. H. Falloon, general manager of the Atlas Assurance at its head office; his daughter, **R. R. Martin** of New York City, United States manager, and Mrs. Martin were in Chicago during the week visiting the western department and were guests of E. M. Schoen, western manager, at his rural home near Waukegan, Ill. The Atlas officials left for Los Angeles and from there will go to San Francisco. They will return to the eastern seaboard via Canada.

E. T. Cairns, vice-president Fireman's Fund, and George Jordan, marine secretary, visited in Chicago this week, conferring with E. D. Lawson, western manager. Mr. Cairns was east bound and Mr. Jordan was returning to the home office.

Frank R. MacGibney, office manager and underwriter of Jones & Whitlock's office in Illinois, has engaged passage on "Nieuw Amsterdam" to sail May 23 for London, where he will undergo a month's training in London Lloyds. He is being sent there by A. H. Grupe, who is in charge of Jones & Whitlock in Chicago and is one of the most experienced London Lloyds underwriters in this country.

DEATHS

Allen W. Fleming, 63, who at the time of his retirement several years ago was assistant secretary of the American National of Columbus, O., died there. He is survived by his wife and a brother. He was with the Franklin, National of Hartford and Minneapolis Fire & Marine before joining the American National in 1918. He had been ill several years. Pallbearers included R. T. Huggard, Ohio state agent Great American; W. K. Smith, state agent Tokio; W. O. McLelland, vice-president and secretary American National, and G. D. Gregory, Chicago, secretary Great American.

Charles J. Georger, who was connected with the Buffalo from 1882, died in that city the other day at the age of 87. He served as secretary of the Buffalo from 1898 to February, 1934, and was a director from 1914 to the day of his death.

William H. Burkard, chairman of Atlantic City Fire, died the other day. He served as president from 1930 until 1937.

Floyd S. Nahm, 64, Bowling Green, Ky., local agent, died in a Nashville hospital after an operation.

E. G. Wightman, 68, who conducted an agency in Hornell, N. Y., for 16 years, died at his home in Andover, N. Y.

Adjustment Service, 1620 Munsey building, Baltimore, has been incorporated by G. S. Harris, Paul E. Benjamin and Harriet Glasser.

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STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 15, 1939

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	104	107
Aetna Fire	10	1.60	43½	45½
Aetna Life	10	1.35*	29	31
Agricultural	25	3.25*	72	75
Amer. Alliance ..	10	1.20*	21	23
Amer. Equitable ..	5	1.20	21	23
Amer. Home	10	...	6½	8
Amer. (N. J.)	2.50	...	12¾	13¾
Amer. Surety	25	2.50	48	51
Automobile	10	1.30*	31	33
Balt. Amer.	2.50	3.0*	5¾	6½
Bankers & Ship. ..	25	5.00	87	90
Boston	100	21.00	600	615
Camden Fire	5	1.00	19½	20½
Carolina	10	1.30	24	26
Contl. Cas.	5	1.20	30	32
Contl. N. Y.	2.50	1.80*	33	34
Crum & Foster ..	10	1.00	23	25
Com.	10	1.60	48	50
Employers Reins. .	2.50	1.80*	32½	33½
Fidelity-Phen.	10	2.50	62	64
Fire Assn.	5	1.40	9	10
Firemen (N. J.) ..	5	1.40*	27	28½
Franklin	5	2.00	41	43
Gen. Reinsur.	5	1.60	38	40
Glens Falls	5	1.50	10	11½
Globe & Repub. ..	5	1.20*	24½	26
Gt. Am. Fire	1	1.20	9½	11
Gt. Amer. Ind.	1	1.20	22	24
Halifax Fire	10	1.20	25	26
Hanover Fire	10	2.00	72	74
Hartford Fire	10	1.60	54	57
Hartford St. Boil. .	10	...	1	1½
Home Fire Sec.	10	1.60*	29½	31
Home Ins. (N.Y.) ..	3	...	10	11
Home Indem.	10	2.50*	63	65
Ins. Co. of N. A. ..	5	...	2½	3
Lincoln Fire	1	...	3	3½
Maryland Cas.	12.50	3.50	55	57
Mass. Bonding	5	1.70*	42	46
Merch. com. (N.Y.) .	10	1.20*	26	27
Natl. Cas.	2	1.40*	56	58
Natl. Fire	20	5.00*	118	122
Natl. Liberty	2	1.40*	7	7½
Natl. Union	2	1.65	13	14
New Am. Cas.	10	1.80	43	45
New Hampshire ..	5	...	4	4½
Northeastern of ..	12.50	5.00*	88	92
Northern (N. Y.) ..	2.50	1.20*	24¾	25¾
North River	25	5.75*	121	125
N. W. Natl.	10	2.50*	73	75
Phoenix Conn.	5	1.00*	18	19
Preferred Accl.	10	1.40*	31½	33½
Prov. Wash.	10	1.20	25	26½
Republic, Tex.	62.50	8.00	220	225
St. Paul F. & M. ..	10	1.40	29	31
Security, Conn.	25	4.75*	112	115
Sprgfd. F. & M.	100	16.00	465	480
Travelers	4	2.00	48	50
U. S. Fire	2	1.00	20	22
U. S. F. & G.	2.50	1.60*	31	33
Westchester Fire

*Includes extra. **Canadian funds.

LEGISLATION

Texas—The governor has signed the measure providing for stricter regulation of reciprocal and interinsurance exchanges. It provides for bonds ranging from \$25,000 to \$50,000 for operators of such concerns and cash reserves ranging from \$50,000 to \$200,000 to guarantee payments of claims. It makes subscribers liable for claims to the amount of twice their annual premiums.

There is some talk of some of the larger reciprocals changing to stock companies because of the rigid financial provisions of the new law. The legislature also enacted a law permitting these companies to change to stock organizations with capitals of \$25,000 to \$50,000, increasing that capital yearly until it reaches a given amount.

The governor has also signed the measure providing that the state board of insurance commissioners may examine the records of out-of-state companies seeking a permit to do business in the state before issuing a license.

Commissioner Woodward says the laws have been needed for years and give Texas policyholders as good protection as can be had in any state.

Another bill provides payment of examiners by the state board and to abolish the system whereby foreign companies had paid the examiners directly.

The senate has refused passage to the bill to permit mutuals to turn stock companies by depositing \$10,000 security for each \$1,000,000 of outstanding insurance.

Nebraska—The insurance committee played havoc with the bills recom-

mended for introduction and passage by the investigating committee. It killed eight of them, four relating to insurance and four to regulation of sales of securities. Only four of the 11 bills were reported out to the calendar. These are: Requiring domestic mutuals to maintain a cash fund of \$30,000, or equal to ten times the amount of a single risk assumed, whichever is the greater, for each class of insurance it is licensed to write; prohibiting the writing of thrift insurance; providing a penalty of from \$50 to \$500 fine and/or 10 to 90 days in jail for persons writing insurance without a license from the department, and prohibiting formation of companies under the assessment plan to write health, accident, fidelity and plate glass insurance.

Gets Alliance for Washington

The Alliance of Philadelphia has appointed the Brown General Agency of Seattle as general agent for Washington.

B. M. Culver, president of America Fore, has been elected a trustee of the Central Hanover Bank & Trust Co. of New York.

INSURANCE SERVICES AND EQUIPMENT

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F. C. A. B. Names Bachman Assistant General Manager

NEW YORK—R. G. Bachman has been advanced to assistant general manager of the executive department of the Fire Companies Adjustment Bureau. He has had 14 years experience in claim work. In 1925 he went with Windle, Burlingame & Dargan, independent adjusters of this city, as manager of their Miami office. Seven years later he entered the service of the southeastern division of the F. C. A. B., as assistant manager in Memphis. He was transferred to divisional headquarters in Atlanta in 1936. A year later he was called to the New York head office as executive supervisor.

Try O'Malley, Pendergast June 12

KANSAS CITY—R. E. O'Malley, former Missouri superintendent, and T. J. Pendergast, head of the Jackson county Democratic organization, who have been indicted on charges of income tax evasion will go to trial before Federal Judge Otis here June 12. The cases were transferred to Judge Otis by Judge Reeves.

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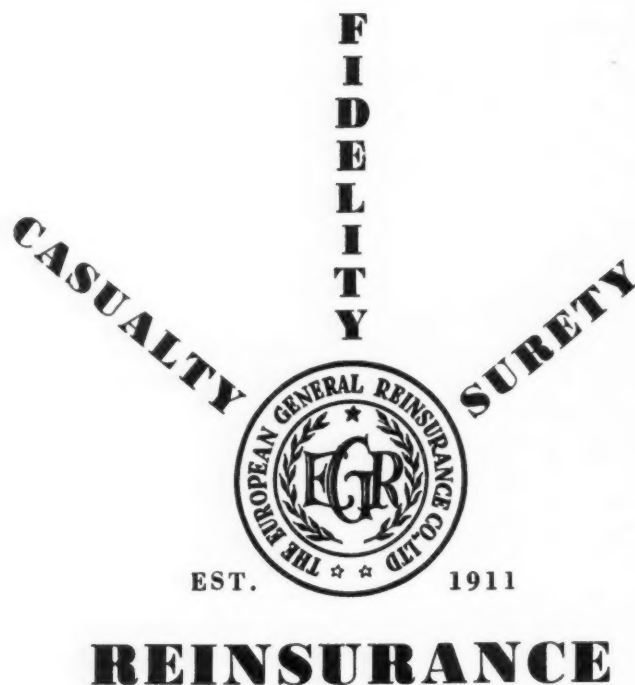
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The NATIONAL UNDERWRITER

May 18, 1939

CASUALTY AND SURETY SECTION

Page Nineteen

New Manual, Higher Rates in Sweeping O. L. & T. Revision

Reduction for Higher Limits, Drop Fee for Residence Alterations

NEW YORK — Owners, landlords and tenants and residence liability rules and rates have been completely revised by the National Bureau of Casualty & Surety Underwriters. These two sections have been taken out of the manual of liability insurance and placed in a separate owners, landlords and tenants liability manual. Residence and personal liability coverage has been broadened considerably and the charges for limits above standard have been reduced. The rate structure has been completely revised, with many adjustments in different territories. Probably the net result will be a general increase. Frontage charges have been dropped for all except seven classifications, apartment hotels, apartment houses, community automobile garages, hotels, department stores, dry goods stores, office buildings and allied risks falling in the same classification.

For property damage liability frontage rates have been abolished completely, except for land, retail gasoline or oil supply stations operated by other than the assured and vacant land. These lines are now rated only on a frontage basis.

Alteration Charge Dropped

In connection with residences, the charge for alteration permits has been abolished. This applies to residences, estate and farm classifications, and for personal liability insurance. Construction of additional buildings, structural alterations, additions and demolition of existing buildings are now covered without additional charge, provided the work is performed on the premises and does not change the identity of the premises. Formerly an alteration permit, with an additional minimum premium of \$5, was required to cover this work.

The residence liability policy and residence coverage in connection with personal liability, is extended to cover garages and stables on the same premises as the principal residence and occupied in part for dwelling purposes by the assured, guest or servant, but not used for business purposes, garages and stables away from the principal residence, but not used for dwelling or business purposes, and individual or family cemetery plots and burial vaults. The personal liability policy also covers private garages and stables away from the premises, occupied by the assured, guests or servants, but not used for business purposes. This contract also now covers the assured while residing temporarily on premises not owned by him.

For higher limits under the O. L. & T. (CONTINUED ON PAGE 27)

Some States Seek to Reconcile Rate Differences

News from the automobile casualty rate front this week centers largely in those states in which the insurance commissioners are lending a sympathetic ear to the independent companies, whose rate advantage has been removed by the action of the National Bureau of Casualty & Surety Underwriters in promulgating sharply lower rates. Some of the commissioners are endeavoring to reconcile the conflicting positions of the bureau companies and the independents.

In Ohio, following a conference, an emergency bill was introduced that would, among other things, permit the superintendent to prohibit the use of inadequate rates. In Michigan, the threat of legislation has been removed and the commissioner has called a conference for Thursday.

The situation in Indiana remains greatly confused. The independent companies induced the commissioner to disapprove the bureau's rate filing but much business is reported to have been written in accordance with the new bureau plan. The commissioner now has the idea of setting what he terms a base rate, below which a company would not be permitted to go. Apparently under what he has in mind the companies would be permitted to discount manual rates by 20 percent but the safe driver plan could not be used.

In Minnesota, the issue is still undecided but Commissioner Yetka expresses belief that decision may be made later this week. In New York, a joint committee of representatives of various types of companies will form a joint committee, at the instance of the insurance department, in an endeavor to arrive at a uniform course of action.

The latest developments in the automobile casualty field are given herewith:

Confusion in Indiana

INDIANAPOLIS—Monday morning Commissioner Newbauer of Indiana received an opinion from the attorney-general to the effect that the commissioner has authority under Indiana statutes to control automobile insurance rates. Accordingly, he will set a common base rate below which reductions from manual will not be allowed. While he states that he has not decided as to what percentage of reduction will be allowed it quite likely will be 20 percent off manual for passenger cars. This corresponds to the class A reduction proposed by the Bureau companies and which would have become effective May 9.

The 5 percent reduction included in class A1 will not be allowed in Indiana. Also the safe driver reward plan is definitely out in Indiana, Mr. Newbauer announces, as he has an opinion from the attorney-general that this is in violation of the anti-rebate statute.

As the companies last week took the position that the commissioner does not have authority to control rates, many agents were advised to write business on the plan proposed by the Bureau companies. Asked as to his attitude toward

business so written, Mr. Newbauer said that he is disposed not to disturb that business but on condition that companies and agents from now on cooperate upon a recognition of the base to which rates may be reduced. Non-bureau companies which have been writing at rates below the base which will be established will be required to bring their rates up to that base.

If the base that is set proves to be too low for profit, Mr. Newbauer contends, the damage to the companies will not be serious as it might have been had the proposed cuts been allowed.

"If I am to be held responsible to see that insurance companies pay their losses, I should have authority to say that they shall charge enough for their service," Mr. Newbauer states.

Mr. Newbauer believes that the non-bureau companies will acquiesce without protest in his establishment of a base to which reductions may be made.

N. Y. Situation

NEW YORK—A joint committee to be composed of representatives of the National Bureau of Casualty & Surety Underwriters, non-bureau stock companies and American Mutual Alliance, will shortly be selected for the purpose of formulating, if possible, a uniform course of action in the automobile field for adoption in this state. Under late date Superintendent Pink, taking cognizance of the automobile rate reductions in many states, directed all carriers to file with the department not later than June 1, their loss experience; the data to be used in the rate revision to be completed by Sept. 1, and to be retroactive to July 1.

Michigan Parley

LANSING, MICH.—A conference of companies writing property damage and personal liability automobile insurance will be held Thursday of this week with Commissioner Emery. This is the outgrowth of the rate reduction by companies belonging to the National Bureau of Casualty & Surety Underwriters and a counter charge made by some of the Michigan companies through an amendment to a bill preventing any combination or organization of companies acting on rates in this way. Seemingly the amendment is dormant but it was stated in the legislature that it was hoped that the companies could settle the matter among themselves. Therefore, invitations were sent out to the leading Michigan non-conference companies, to outside leaders, to the National Bureau of Casualty & Surety Underwriters, American Mutual Alliance and Western Underwriters Association.

The auto rate regulatory bill, that was menacing a week ago, has been returned to committee in the senate with little likelihood of its reappearance at this session. The bill's proponents agreed to abandon it when they had assurances

(CONTINUED ON PAGE 29)

Acquisition Rules Adopted for Cook County and Chicago

Conference Votes to Put Them in Effect Sept. 30, 1939

NEW YORK—Rules and regulations governing production costs in Chicago and Cook County, Ill., were adopted by both the casualty and the surety acquisition cost conferences, becoming immediately effective as to future appointments and as to existing representation at midnight Sept. 30, 1939; which means "no new commitments will be made in violation of the rules as adopted and that all member companies will make such adjustments and corrections as may be necessary prior" to the last named date. The action taken, Chairman E. J. Schofield stated, "came as the result of consideration given at these meetings to recommendations made by the special committee of executives appointed some time ago to study the entire situation, and make recommendations for any rule or procedure changes necessary to make the conferences effective."

Casualty Rules

The casualty rules deal with general agents and branch offices, service offices, office agents and all other producers. Each company may maintain general agents or branch offices or both in Cook county provided the aggregate representation shall not exceed three in number at any one time. A general agent must maintain an office, pay all expenses including cost of field supervision items. He shall receive no form of remuneration or expense than the regular general agency commission. He may, however, be granted a profit sharing agreement. He cannot be housed in the office of any company and can only have one address in Cook county. The principal portion of his time must be devoted to soliciting, writing and servicing insurance. Each general agent shall file with the conference a pledge to observe all the rules.

A service office shall count against the quota of general agents and branch offices for the state but shall not count against the quota for each company in Cook county.

Another class of office agents who are remunerated by commission may be granted office quarters without charge for rent in any home office, general agency or branch office, and the use of telephone.

So far as the surety business is concerned, the rules provide for a principal office, general agent, service office, city agent, probate court agent, office agent.

The new classification of city agent provides that he must maintain a bona fide surety department under the supervision of a partner, member of firm or

(CONTINUED ON PAGE 30)

A. & H. Needs Better Public Acceptance

Need for Legislative Work Also Stressed by W. B. Cornett in Pittsburgh Talk

PITTSBURGH—Speaking at the accident and health group section meeting in connection with Pennsylvania Insurance Days, W. B. Cornett, Loyal Protective Life, Columbus, O., vice-president National Accident & Health Association, emphasized the importance of legislative and public relations work on behalf of accident and health insurance. Evidence that there is a serious need for the product that accident and health men have to sell is found in the fact that the federal government is now threatening to step in.

"Unless we sell our product to more family breadwinners, we are going to have no one but ourselves to blame for any competitive governmental action that may result," Mr. Cornett said. "Without doubt, the next few years are going to bring us face to face with more legislative problems affecting the accident and health business than has been the case in its entire history."

Legislative Plan in Ohio

He told of the way in which legislative work is organized in Ohio. There are five local associations in the state and the groundwork has been laid for two more, all working under a state association which is recognized by all other insurance groups. It is the plan there to branch out from these seven focal points and reach all accident and health men in the state. Both the local and state associations are now represented on the so-called insurance legislative steering committee in Ohio, along with the representatives of the insurance department. While the legislature is in session, the committee meets regularly to study the bills introduced and recommend for passage such laws as will promote the best interests of the business, as well as to try to defeat legislation that is destructive.

Building Public Opinion

"Without doubt one of the greatest services we can perform through our associations is to build favorable public opinion toward the accident and health business," he continued. "Our business must justify its existence by proving its value to society or it has no right to exist. Instead of talking about how much money we made in the business, let's talk about what we gave to society. We must develop further the good will of the public, so that the people at large will realize that the service we are giving is worth what it costs. This perhaps can best be accomplished through the representative on the firing line, since he is the point of contact with the public. He is the one who can do the most towards giving the public the proper conception of our business."

Suggests Simple Circulars

He suggested that it might be well for the National Accident & Health Association to approach the Health & Accident Underwriters Conference and the Bureau of Personal Accident & Health Underwriters in an effort to work out something in the way of simple circulars outlining the important facts regarding the business to be placed in the hands of men on the firing line, which they in turn could use with their policyholders or prospects.

"For instance, we could get out a circular showing that last year there went into our American homes more than \$100,000,000 in benefits at a time when most needed. If we translate this \$100,000,000 into terms of food, shelter, and clothing—things in which every family is vitally interested—it would build favorable public opinion. What

(CONTINUED ON PAGE 28)

Warns of O. D. Inclusive Cover

Dorsett Urges Scheduling of Diseases in Address to Pittsburgh Group

J. D. Dorsett, head of the casualty department of the Association of Casualty & Surety Executives, in an address during Pennsylvania Insurance Days in Pittsburgh, warned against all-inclusive occupational disease legislation. The diseases covered, he contended, should be named specifically in the law, for the protection of both employee and employer.

J. D. Dorsett

"There is not enough money in Pennsylvania," Mr. Dorsett declared, to pay the bills if you compensate, under the name of workmen's compensation, for tuberculosis, pneumonia, asthma, bronchitis, arthritis, etc."

The provisions for occupational diseases should not be synonymous with general health and life insurance.

Prevention Is Vital

Mr. Dorsett also urged that preventive measures accompany occupational disease legislation. To prevent such diseases is as important as compensating for them.

The statutes should be clear in their provisions and the benefits should be sure and ratable so that all interested parties may know just where they stand. There is justice in the principle of compensation for diseases that result from definite risks created by and peculiar to specific processes, trade or occupation.

He commended the North Carolina law, which names in simple and understandable language the occupational diseases that are covered. Mr. Dorsett until recently was industrial commissioner of North Carolina. Mr. Dorsett said he does not advocate restricting diseases that are named in a schedule but that each disease should be named specifically.

The insurance companies, he said, do not favor the schedule plan as a means of defeating claims but to avoid unnecessary costly litigation.

A vital part of any occupational disease law is the providing for a competent, disinterested medical board and hygiene unit. The worker should be assured that he need have no fear of the medical board. The doctor should be employed by the state. The hygiene unit and the medical board should be in the health department rather than the labor department.

Include Liability in Retrospective

Public liability, automobile and other third party liability coverages are in some cases being included in the retrospective rating plan along with workmen's compensation, thus extending the desirable features of the retrospective plan. As with compensation, the aim is to improve the experience through making it decidedly to the insured's advantage to prevent accidents. The plan is not considered applicable to the type of casualty coverage where there is no third party liability.

While there is no standardized plan for retrospective rating of coverages other than compensation, application of the plan to these coverages is effected by adjustment of the rates on such properties of the insured as are in unregulated states.

Revisions Made in Auto and Garage Liability Policies

The long expected revisions of the standard automobile liability policy and garage liability policy have been announced by the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance, effective optionally with member companies May 15 and with Nov. 1 as the final date for revision. The more important changes in the automobile contract, as previously indicated, include permission for use of trailers, other than trailer homes, used for pleasure purposes, which has been permissible by endorsement without additional charge for about a year, revision of the exclusion of carrying passengers for a consideration to read "charge," a new definition of commercial use which permits personal and pleasure use of the automobile and occasional use in businesses other than that of the assured, with a condition that not more than eight passengers shall be carried in commercial cars, a slight broadening of the territorial limits and the elimination in the additional interests clause of the exclusion of coverage to any person or organization which has other valid and collectible insurance. The new drive other cars coverage, which was recently authorized by the bureau without additional charge on policies covering individuals, is not included in the policy, but will continue to be written by endorsement. Most of the mutual companies are also allowing this endorsement. There is a feeling that the wording of this coverage will be revised soon.

Most of the member companies have stated that they will not print new forms at once, but will use up their old supplies, with the understanding that losses will be settled on the basis of the revised policy. The majority of companies which did not belong to either organization adopted the national standard policy when it became effective in 1936 and hence it is generally expected that they will follow the present revisions.

Broadening of Commercial Use

The changes as respects use of commercial cars are effected by a new definition of commercial use and a new exclusion. The present contract defines "commercial use" as "transportation or delivery of goods, merchandise or other materials, and uses incidental thereto, in connection with the named assured's business operations." The new policy defines commercial as "use principally in the business occupation of the named assured as stated in item one, including occasional use for personal, pleasure, family or other business purposes." There has been much criticism over the old definition, which gives the company the right to deny liability if a truckman has an accident while taking his family on a Sunday outing, or if an assured or officer of a corporation using the truck in business uses it incidentally to move his furniture to a new home. Many companies regarded use of this type as covered and all underwriters agreed that it was justified by the rates, but there was a strong demand from the field for a specific statement in the policy.

A new exclusion in the policy limits the number of persons who may be carried in a commercial automobile to eight, if the car is being used for purposes other than business of the named assured. The purpose of this is to avoid exposure to use of the automobile for mass transportation of groups of persons. It will be necessary for the assured to purchase special coverage if he uses the car for such purposes.

The revision of the omnibus clause will eliminate possible conflict with drive other cars and non-ownership insurance, both of which policies are intended to be excess over other insurance available.

(CONTINUED ON PAGE 28)

Sees Inconsistency in Company Stand

W. C. Meek Criticises Insurers for Insisting on Employee Countersignature

NORTH PLATTE, NEB.—Wayne C. Meek, prominent local agent of Seattle, in addressing the annual meeting of the Nebraska Association of Insurance Agents here, asserted that the litigation which was commenced as a friendly suit to determine if a state has the right to say who shall and who shall not sign a policy, "has developed into a bitter fight, extremely costly to both sides in money and in the long standing friendly relations between agents and companies."

Mr. Meek, who is a member of the executive committee of the National Association of Insurance Agents, expressed bewilderment that companies insist upon the right of having policies countersigned by salaried employees, thus setting blocks, in the way of their agents, after having made such a tremendous investment in building a valuable agency plant.

Led to Restrictive Laws

The local agents, he said, initially sought to preserve their rights by sponsoring legislation governing countersignature. Such legislation, he said, led to the restrictive laws that are found in many states and produced the legal entanglements between companies and insurance departments.

The National executive committee, he said, is determined to develop a uniform countersignature law that will preserve the rights of the local agent without hardships to the companies.

Mr. Meek referred to the Paramount Fire issue. He said one of the largest problems before the agents is the proposed organization of companies that are reinsured 100 percent or perhaps retaining only a small portion of liability and that have as their main purpose writing a selected class of desirable business. "Coercing of premiums," he declared, "is in violation of the rights and principles of our organization. The tying in of the insurance business with the lending institutions will never have the approval of our association."

Membership of the National association, he said, is only about 600 less than it was Aug. 31, 1938, despite the withdrawal of the Ohio association as a block. Leaders throughout the country, he said, are committed to building the membership to a greater number than as of Aug. 31, 1938. It is necessary, he said, to instill into the rank and file the spirit of the National organization and of capital stock insurance.

Illinois Summary of Casualty Business

The recapitulation of the premiums and losses of carriers licensed under the casualty act of Illinois in that state for last year is of interest. The following are the figures:

	Net Prems. Received	Net Losses Paid
Domestic Stock...	\$ 3,780,487	\$ 3,797,588
Other State Stock...	41,649,110	16,389,209
Foreign Stock...	9,056,357	3,585,871
Domestic Mutual...	7,834,327	3,378,318
Outside Mutual...	6,757,182	2,945,618
Domestic Exch...	3,319,730	1,148,785
Outside Exch...	515,163	236,721
Foreign Lloyds...	2,367,448	1,240,677
Domestic Assess.		
Accl. & Health...	3,052,606	1,636,449
Foreign Assess.		
Accl. & Health...	916,828	439,700
Domestic Assess.		
Life (Cas. Dept.)...	194,731	39,124
Outside Assess.		
Life (Cas. Dept.)...	70
Total	\$84,444,045	\$34,888,064
Domes. Non-Profit		
Hospital Serv...	578,044	238,274
Aggregate	\$85,022,089	\$35,126,339

Expert Discusses Scope of Bonds on Tax Collectors

Robert Steinemann of Fidelity & Casualty in Galveston Address

Robert Steinemann, who is manager of the judicial and public official division at the head office of the Fidelity & Casualty, is chairman of the committee for better audits of the Surety Association of America. He spoke before the annual conference of Tax Assessors & Collectors Association in Galveston this week. Tax oppression, he said, begets tax consciousness. In all sections there is a great army of citizens warring on "squandermania." He said that the battle between economy and extravagance is raging all around. Taxpayers associations and chambers of commerce are sounding their warnings. Taxpayers are arming themselves with facts and figures while tax spenders are retreating from pressure groups. A survey was recently made, he said, of the local government activities and revenues, and the Municipal Finance Officers Association states that the most important problem of local government is the necessity of obtaining sufficient revenue from appropriate sources to support adequately the necessary activities they now carry on or are being asked to perform. This is not a question of budget balancing or making outgo equal income. Instead it is a problem of maintaining a standard of governmental services which is necessary for the welfare of the people.

Liability of Tax Collector

Mr. Steinemann called attention to the monumental work "The Law of Taxation," written by Judge T. M. Cooley. There it is held that a collector is liable as an insurer of the safety of moneys collected and is responsible for losses arising from the act of God or public enemy. A tax collector, it is contended, is liable not only for taxes collected and not turned over but also for taxes which he might have collected by due diligence.

Mr. Steinemann took up the question of the liability of sureties and pointed out some of the hazards around tax collectors, some of which are not properly part of the faithful performance of duty on the part of the official. These hazards, and they alone, he said, are responsible for the difficulty that officials in some jurisdictions experience in their attempt to procure corporate suretyship. If these foreign and extraneous hazards, having nothing to do with faithful performance of duty were eliminated, Mr. Steinemann said, no worthy public official in any jurisdiction would experience the slightest difficulty in securing a surety bond.

Should Relieve Public Officials

Legislation, he contended, should relieve the public official of the depository hazard by requiring that the depositories be designated by the appropriate board having ultimate control over the funds in question. The surety, he said, is willing to assume that liability when a clear, unequivocal and reasonable provision is made by the statutes for eliminating loss through bank failures. That would occur only if the collector deposited funds elsewhere in violation of the clear terms



Robert Steinemann

Sixty Inquiries are Made

C. W. Van Beynum of the Travelers Asks Questions About the Thousand Dollar Policy

NEW YORK—C. W. Van Beynum, publicity manager of the Travelers, in his talk before the Insurance Advertising Conference touched on automobile insurance, he saying that he was not able to answer the question of how coverage can be sold to the 18,000,000 car owners who are supposed to be driving without it. He acknowledged that he could not answer the question. Instead, however, he asked 60 additional questions. He hit on the \$1,000 policy as a possible solution. He said in part: "Why is it Dr. Gallup's Institute of Public Opinion finds that 89 percent of the people and 81 percent of car owners believe that all car owners should carry automobile liability insurance, yet only 25 percent do? Are we sure that the estimate of 25 percent is a good guess? Is there so much confusion in the minds of car owners over the various forms of automobile insurance that the results of polls and surveys are undependable?"

Farmers and Liability Insurance

"When the mid-west farm papers recently made a survey of their subscribers, they were informed by 53 percent of their responding subscribers that they carried liability insurance on their automobiles. Can we believe that farmers are more than twice as careful in this matter of liability insurance as city people, or should we suspect that they merely thought that they carried liability insurance, might have confused the insurance terminology and believed that their fire and theft policies really included liability insurance?"

"When the 'American Magazine' queried a sample of its subscribers, 'Is your car insured?' and 73 percent said 'yes,' what kind of insurance were they thinking about? Didn't the answers and the names of the companies given indicate some meant liability insurance, but more meant fire and theft? Even if 50 percent of all car owners did carry liability insurance, could we sit back and feel content with the job we had done? Has there been so much competition for the business now in force that nearly every automobile policy outstanding represents a target risk?"

Challenge from New York

"When Superintendent Pink of New York recently expressed doubt that efforts of insurance enterprise to popularize automobile liability insurance will be effective and asserted that the answer will have to be legislative, requiring greater financial responsibility, was he tossing a challenge to companies and agents alike?"

"Is the insurance man who thinks of this uninsured group as a great fertile

of the statutes. Deputies of all officials, he said, particularly those handling money, should be required to furnish surety bonds. Not infrequently the chief official is not permitted to select his own deputies and assistants, and yet he is made responsible for their acts.

Covers Too Much Territory

Mr. Steinemann said there is no more important position in public office and no more devastating than that of tax collector. The official, he declared, should be held to a faithful, reasonable and vigorous performance of the duties of his office but it is not fair to hold him and his sureties responsible for the collection of every tax dollar, however impossible of collection it may be, nor is it fair to make the statutory provision leading to his exoneration for uncollected taxes so intricate and technical that only a trained lawyer or a certified public accountant devoting his entire time to the duties of the office could possibly meet the requirements.

prairie just a wild optimist? Is the man who thinks of this uninsured market as nothing but a dustbowl merely a short-sighted, sour-pussed pessimist? When we have something that people admit they need and yet they do not buy, is there something wrong with what we offer or the way we offer it? Or have we just not pushed it hard enough?

What About the \$1,000 Policy?

"Have we been late in recognizing that times have changed? Should the \$1,000 liability policy have been introduced five years ago? Have the compa-



CLARENCE W. VAN BEYNUM

nies which changed their emphasis from big accident policies to small ones and from large life policies to more modest contracts benefited by the change? Do we in the insurance business think too much about the insurance needs of the public and not enough about their insurance desires? Has price been the chief stumbling block? Would business recovery be a help in getting anything more than that not-too-large group which once insured but does not now? Have recent rate decreases, and the safe driver reward, and discounts for family use, opened up a big sector of possibilities? Can the downward trend of accidents be continued so that further rate reductions can be expected?

May Cause a Surprise

Is the \$1,000 policy a help toward this unsold market? Will experience prove that losses on the class of drivers who buy this policy are lower than anticipated and that a bigger discount than now granted will be possible? Will the lodge member business produce more favorable experience than the country club business? Will easy payments be used extensively on this policy? Is this a day and age when more emphasis on installment payments will be necessary? Is the \$1,000 policy at the new low rates, with safe driver rewards and the installment payment plan a combination that may surprise some of us?

"Can we expect companies and agents to push such a policy? Is the antipathy of some toward such a combination well founded? Is such antipathy based on prejudice? Can it be based on knowledge when no one really knows the possibilities of the policy?"

"Are the installment payments worse to handle than quarterly premiums on commercial accident policies or regular premiums on small fire policies? Can we take seriously the assertions of some companies and agents that they won't sell the \$1,000 policy because it is not

(CONTINUED ON PAGE 31)

Mass. Survey Shows Big Savings Under Retrospective Plan

Advantageous for Insured and Carriers, Even on Smallest Risks Eligible

BOSTON—The effectiveness of the retrospective rating plan in improving the experience under workmen's compensation and placing it on a profitable basis is well shown in an analysis by the Massachusetts Rating & Inspection Bureau. Massachusetts was the first state to sanction retrospective rating, approximately three years ago. This is the first tabulation issued by the Massachusetts bureau to show the effect of the plan's application. It includes all ratings issued through Dec. 31, 1938, the latest retrospective promulgation being represented for each policy.

The standard premium on the entire group would have been \$862,052. The retrospective premium was \$658,665, a net saving of 23.6 percent for the entire group. There were 51 policies covered in the tabulation. Of these, 88 percent paid less than they would have on the standard basis.

Three Classifications

The analysis breaks down the figures into three classes: those on which the minimum retrospective premium limit applied; those on which the retrospective premium was between the minimum limit and the standard premium; and those on which the retrospective premium was above the standard premium but below the maximum retrospective limit. There was only one case where the maximum retrospective premium limit applied.

The value of the retrospective plan in bringing about cooperation on accident control is shown by the fact that 57 percent of all the risks covered in the exhibit earned the minimum premium. These 29 risks would have had to pay a total of \$289,548 if standard premiums had been charged. Earning the minimum retrospective premium, however, they paid only \$194,135, a saving of 33 percent as compared with the standard premium. The 16 risks which paid a retrospective premium between the minimum retrospective limit and the standard premium paid in the aggregate \$358,881 as compared with the \$487,856 which they would have paid if charged standard premiums. This represented a saving of 26.4 percent as compared with the standard premium.

Only five out of the 51 policies paid a retrospective premium between the standard premium and the maximum retrospective limit. Their standard premium would have been \$55,594 while the retrospective premium promulgated was \$65,119, an increase of 17.1 percent above the standard premium. The one risk which was charged the maximum retrospective premium had to pay \$40,530, an increase of 39.5 percent over the standard premium of \$29,054.

That the value of retrospective rating is not confined to the extremely large risks is shown by the fact that 53 percent of all the risks covered in the exhibit had a standard premium of less than \$10,000, while 22 risks out of the 27 in this group earned the minimum premium. These results are taken as indicating that the plan is successful not only for the larger risks but for any risk of \$5,000 or more, though of course the possible savings are greater and the risk of having to pay a relatively larger premium is less with the bigger cases.

May Cut Taxi Cover Rates in Illinois

A proposed revised taxicab insurance rate scale for Illinois to be effective July 1 is before the Illinois department and may be approved this week. The revision was drafted following a meeting recently between companies writing this business, H. A. Miller, special representative of the Illinois department and Peter Malah, Chicago manager National Bureau of Casualty & Surety Underwriters. The new scale represents a rate reduction over all, although rates for three of the eight territories would be increased.

The companies propose to reduce the number of classifications from three to two, which would be individual (one car) and fleet (two or more cars.) At present there are three classifications: Individual, owner driven; individual, double shift, and fleet. It was found practically impossible to keep check on individual owners who secured lower rate on the basis of doing all of their own driving, but would call in relief drivers who increased the hazard. The companies were liable for loss in case a driver other than the owner was driving a taxi involved in an accident. In order to meet this situation the companies decided to combine the first and second classifications, with a mean rate greater than that for the owner-driven classification.

The taxi insurance companies are much interested in Illinois house bill 67 which would eliminate the 5,000 population minimum, the present law making it compulsory for taxi owners in cities or towns of 5,000 or more population to carry insurance. Such elimination would create considerable business, it is anticipated.

Changes proposed in territorial rates are: Territories 1 and 2, each advance \$5; territory 3 advance \$1; territories 4-8, each reduced \$1. Elimination of the 25 percent extra charge for jitney cabs, zoned, routed and rented cabs, however, tends to equalize the rate boost in some territories. The proposed rates are said to represent about a 15 percent increase in level for individual cars.

The proposed rules permit optional increased limits. The present rate set-up is based on \$2,500/\$2,500 limits, the amount required by law. For \$5,000/\$10,000 limits, the base rate is increased 18 percent and above those limits manual rates will apply.

Territorial changes proposed are: Berwyn and Evanston, moved from territory 4 to territory 3, a higher rate; Park Ridge from 1 to 3; Chicago, change in territorial boundaries, territory 1 being bounded by Chicago avenue, 67th street, Kedzie avenue and the lake, and territory 3 changed to territory 2 at a higher rate. The old boundary between territories 1 and 3 is 103rd street. Cicero and East St. Louis are changed from territory 2 to 3.

LEGISLATION

Massachusetts—The bill providing for the establishment of a monopolistic state workmen's compensation fund in Massachusetts was killed in the senate by a vote of 13 to 29. It was adversely reported by the committee on labor and industry and was rejected by the house.

Massachusetts—An amendment to the bill requiring new mutual liability companies to have \$200,000 of guaranty funds which would allow a company already chartered to write all casualty lines except automobile liability with only \$100,000 of guaranty funds, was passed by the Massachusetts senate. The amendment exempts the Myles Standish Mutual Liability whose original charter was renewed by special act of the legislature last year. Refusal of the senate two weeks ago to allow exemption of the Myles Standish resulted in the resignation of Senator Nicholson as insurance committee chairman.

Wisconsin—The senate passed a bill to repeal the section of the liquor laws requiring tavern keepers to post \$1,000 surety bond or \$200 cash bond as a condition of doing business. The measure is expected to be concurred in by the assembly. Tavern keepers contended they have had to pay \$16 premium annually and none of the bonds ever was collected. Repeal grew out of a fight over forfeiture provisions of the statute, the states effort to collect more than \$1,000,000 bonds from tavern keepers convicted of law violations and the state supreme court's ruling these were purely indemnity bonds and did not require forfeiture upon conviction.

New Central Surety Directors

KANSAS CITY—F. M. Bernardin and L. S. Rothschild, Kansas City business men, were elected directors of the Central Surety to fill vacancies caused by death of Dennis Hudson, president and founder, and John Henry Smith.

Favors Security Fund Extension

NEW YORK—Deputy Superintendent T. J. Cullen, guest speaker at the annual dinner meeting of the Fire Insurance Examiners Association of New York Tuesday, voiced approval of the security afforded through the establishment of funds by companies to make good the loss suffered by compensation claimants on account of a company failure. He suggested that similar funds be created for other branches of the business.

New president of the association is W. W. Dixon; vice-president, P. J. Buchmann; treasurer, O. E. Condit; recording secretary, W. J. Brassell.

The last meeting of the **Cleveland Surety Club** for the season will be held June 12.

John Diemand Is Elected Head of Pa. Federation

PITTSBURGH—John A. Diemand, vice-president of Indemnity of North America, was elected president of the Insurance Federation of Pennsylvania at the annual meeting here during



JOHN A. DIEMAND

Pennsylvania Insurance Days. John M. Thomas, president of National Union Fire, is the new first vice-president.

Other vice-presidents are: Frank D. Buser, Fidelity Mutual Life, Philadelphia; W. B. Corey, Philadelphia; T. B. Donaldson, president Pennsylvania Indemnity; J. S. Fisher, chairman National Union Fire; J. N. Jamison, vice-president Reliance Life; H. J. Johnson, Penn Mutual Life, Pittsburgh; F. S. Kauffman, Travelers, Pittsburgh; J. C. Murray, Pittsburgh; Walter E. Roehrs, Philadelphia; Fred A. Service, Sharon; A. M. Waldron, Philadelphia; A. S. Wickham, Philadelphia; treasurer, John Pharaoh, II, U. S. F. & G., Philadelphia; secretary-manager, Homer W. Teamer, Philadelphia; national councilor, John S. Fisher.

John A. Stevenson, president Penn Mutual Life, and retiring president of the federation in his welcoming address, expressed the belief that distinction should be made between social security and insurance. "When you can force people to pay for insurance we don't need the same kind of reserves we do when people can stop paying any time they want to," Mr. Stevenson declared. "I believe there is a very definite place for social security but it would be unfortunate if we reached the point where it would prevent people from taking care of their own, and thereby destroyed one of the fundamental principles of American life."

W. S. Livengood, secretary of the state department of internal affairs, declared that the two most pressing problems in Pennsylvania are those of pressure groups and of relief.

Indianapolis A. & H. Men Organize

INDIANAPOLIS—A number of men interested in the writing of accident and health insurance met here for the purpose of forming an Accident & Health Association.

John McGurk, Indiana manager Mutual Benefit Health & Accident, in opening the meeting said the rapid growth of the accident and health business in the past five years calls for united action of the field representatives in putting the sale of personal disability insurance on a professional basis.

Wendell C. Taylor, manager of Taylor Publishing Company, was selected as temporary secretary to make arrangements for an organization meeting May 26.

New Blanket Bond for Credit Unions

The Surety Association of America has published a new blanket bond, form No. 23, for federal and state chartered credit unions only. This replaces form No. 16, which is intended primarily for building and loan associations, and which now may be renewed for credit unions, but not written as new business for these risks. The new bond is similar in coverage to the other blanket bonds, but its conditions are adapted to credit unions. For smaller unions, rates are lower than under form No. 16, the minimum bond and rates being quoted for unions with assets of not over \$100,000, whereas the lowest quotation for form No. 16 was for associations with assets of \$300,000 or less. Renewal rates for form No. 16 for credit unions have been reduced to the same level as for form No. 23.

The new bond covers dishonesty of employees, officers and attorneys, robbery, burglary, larceny, damage and destruction of property on the premises, in the offices of attorneys and in places of safe deposit, depository banks and transfer and registration agents, damage to the premises caused by burglary, robbery or attempt, robbery, burglary, larceny, theft and holdup in transit in the United States or outside the United States within 20 miles of any office covered by the bond. There is no forgery cover. Misplacement and disappearance on the premises, with or without a \$1,000 deductible, may be included for an additional premium. The fidelity insuring clause may be extended to cover faithful performance of duty, where required by law. All federal credit unions and all unions in Ohio are required to have this coverage.

The new form No. 23 contains a provision regarding cancellation as to individual employees which is not found in other blanket bonds or fidelity bonds. All these bonds terminate as to any employee as soon as the assured learns of any dishonest act by that employee. Form No. 23, however, provides that this shall not apply if the loss does not exceed \$50 and is promptly repaid by the employee or is waived by the assured and there is no element of dishonesty on the employee's part, in the opinion of the assured's officers. The bond also provides for retroactive restoration in the event of loss.

For credit unions having assets up to \$100,000, the minimum bond is \$5,000 and the premium \$80. This goes up to \$144 for associations having assets from \$400,000 to \$500,000, which take a minimum bond of \$15,000. Protection over the required minimum may be secured at \$4 per \$1,000 on the excess. An additional premium of 12½ percent is charged for misplacement, with a credit of 10 percent on the total premium if a \$1,000 deductible applies to misplacement. Premium is increased 12½ percent if the bond includes faithful performance of duty.

The new bond is effective May 15 in all states except Massachusetts, where it is awaiting the approval of the superintendent of banking.

J. C. Smith Travelers Secretary

James C. Smith has been elected as secretary of the Travelers Indemnity. He has spent his entire business career in the fidelity and surety business, starting in the Salt Lake City office of the American Surety. He subsequently became assistant manager of that office, was then transferred to Denver as manager, and in 1932 became manager in the Detroit office, from which position he resigned to go with the Travelers in June. This seems to indicate the Travelers will shortly embark in the surety business.

Morrison K. Sprott, manager U. S. F. & G. at Portland, has been elected president of the Casualty & Surety Association of Oregon.

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ACCIDENT AND HEALTH

See Big Chance for Sale of Auto Accident Forms

Accident and health managers feel that producers who are faced with a loss of commission income through reduction of automobile liability rates by the National Bureau have a real chance to offset the reduction by selling these assured one of the low-priced personal accident policies covering automobile injuries. There is a sound basis for this tie-up, they contend, pointing out that with liability insurance the driver of a car is protecting everyone else who might be involved in an accident but is making no provision for himself. The personal accident automobile policy, in effect, extends the automobile coverage so that the insured too is protected.

The sales argument is that the principal objective of automobile liability insurance is to prevent an automobile accident claim from eating into one's earning power but that unless there is personal accident coverage for himself the motorist may find that doctor's bills, hospital expenses and loss of earnings are cutting down his net income just as effectively as if he were paying out money to a judgment creditor.

From a commission point of view, the automobile personal accident policy ties in very well with the liability rate reduction. The average automobile liability policy was around \$40 up to the time of the recent rate slash. This cut amounts to 20 or 25 percent of the usual passenger car, or a reduction of \$8 or \$10—just about the premium on the personal accident policy.

However, the commission on personal accident policy ranges from 25 percent up to 35 percent, depending on the type of agency, while the top commission on automobile is 21 percent where the safe driver plan prevails and 25 percent elsewhere. Thus, even though the premium on the personal accident policy should not be as much as the premium reduction on the automobile liability policy, the actual commission may be as much or more.

Accident managers feel that the opportunity presented should not be overlooked, since one of the main reasons why more accident business is not sold is that agents do not like to go out and create a demand for it, despite the fact that it pays a higher commission than most other lines. In view of the auto liability rate reductions, an assured can have protection for himself as well as the public and pay little if any more than he has been accustomed to pay for auto liability alone.

General Accident District Managers Meet in Albany

District managers of the General Accident's accident and health department met at Albany, N. Y., May 16-17, in a regional meeting. Those attending were largely from the eastern section of the country, but Martin I. Johnson, district manager St. Paul, and G. H. Garretson, district manager, Chicago, were invited to attend. The home office was represented by W. H. Howland, manager accident and health department; F. M. Walters and E. J. Lynch, joint superintendents, and D. W. Donley, superintendent accident and health production. The program was made up of discussions on promotion of accident and health business, problems and sales methods.

Washington National's Iowa Rally

G. R. Kendall, president Washington National, headed a group of company executives including W. G. Tallman, V. E. Nutt and B. H. Gross, vice-presidents; Kenneth Mullins, assistant vice-

president; G. P. Kendall, agency secretary, and H. E. Hayward, agency supervisor, who conducted a regional conference in Des Moines. Sixty representatives from various parts of Iowa attended.

Woodmen Accident Iowa Meeting

Forty Iowa agents of the Woodmen Accident attended a one-day sales conference in Des Moines for agents in southwestern Iowa, supervised by C. M.

Harris. Speakers were E. J. Faulkner, president, and Howard Hall, assistant to the president.

Illinois Mutual Casualty Holds Agency Convention

PEORIA, ILL.—The annual agents' convention of the Illinois Mutual Casualty, was held here with 125 agents present from five states. The meeting was in charge of President E. A. McCord and C. C. Inman, vice-president and agency manager.

At the banquet, Mr. McCord announced the company set an all-time

sales record in 1938, which figures so far in 1939 indicate will be passed this year. As a surprise for Mr. McCord and Mr. Inman, they were presented 250 new applications. R. B. Bradley, Peoria humorist, was principal speaker at the banquet. L. E. Brown, president Peoria Association of Commerce, and O. F. Lyman, executive vice-president, also spoke.

Among speakers at the business sessions were: C. A. Graf, Logansport, Ind.; W. D. Memering, Hammond, Ind.; J. H. Smith, Peoria; Matt Lee, South Bend, Ind.; E. B. Forsythe, manager claim department; F. M. Stager, Sterling, Ill.; A. C. Sauer, Oregon, Ill.;

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Thomas Fish, Jr., Taylorville, Ill.; C. C. Wheeler, city manager, Peoria; C. B. Stumpf, Madison, Wis., and Roy E. Davis, president Peoria Association of Life Underwriters.

The "Master Builders" club, with 27 members, reelected James H. Smith president and C. C. Wheeler, both of Peoria, as secretary. Membership requires 52 consecutive weeks of production. Mr. Smith leads the list with 419 weeks.

Kroger Insurer Incorporates

The Kemba Mutual Insurance Association of Cincinnati, organized in 1933,

has now been incorporated. It confines its business to employees of the Kroger Grocery & Baking Company. "Kemba" stands for Kroger Employees Mutual Benefit Association. It furnishes sick and accident benefits for 20,000 Kroger employees and is experimenting in a few cities with hospitalization. Ben Rauch of the personnel department is executive secretary.

Form 8-Ball Club as Sales Help

An "8-Ball Club" has been formed by Standard Accident in connection with its 55th anniversary campaign for new accident and sickness business. Agents are

being supplied with the distinctive lapel button and with membership cards certifying that the prospect is a member of the club because he does not carry accident and sickness insurance. The card is signed by the agent as secretary. Buying a policy automatically terminates the prospect's membership.

Hospitalization Policies Issued

NEW YORK—Eighteen companies of the Bureau of Personal Accident & Health Underwriters are now issuing the hospitalization contracts adopted early in March. Business written thus far, according to general reports, is

about equally divided as between forms 7 and 9, form 8 having been virtually discarded. Indemnity offered under forms 7 and 9 is very similar, the main difference being that under No. 7 the limit of liability is \$500, although the amount may be increased to \$1,000 for a higher premium, while the aggregate indemnity allowable under form 9 is based on the number of days of hospitalization, up to 70. It further grants \$3 per day for doctor's bills.

Great Northern Conference

Leading general agents of Great Northern Life met in Chicago to discuss merchandising a new commercial accident and health policy which soon will be announced. President H. G. Royer told the field force old methods of unorganized solicitation have outlived themselves and urged sounder merchandising methods.

The American Hospital & Life of San Antonio, Tex., has been admitted to Oklahoma. Harry Ernstrom of Oklahoma City is general agent.

SURETY

Big Tunnel Project

NEW YORK—On June 7 the United States Reclamation Bureau, at its Denver office, will open bids for the construction of the Colorado-Big Thompson Irrigation Tunnel, bid bonds of \$500,000 being required. When the award is made performance and payment bonds of \$2,500,000 each must be furnished. The tunnel is to be 13 miles long, and it is estimated will require seven years for its completion.

Fidelity Manual Revised

NEW YORK—In the interest of greater clarity and convenience of arrangement the Towner Rating Bureau has just completed a new edition of the fidelity section of its rate manual. Under the revision, commercial blanket bonds and blanket position bond rates and rules appear as a distinct division, as do also data concerning blanket bonds and individual and schedule bonds. Forgery bonds also have their own section. Material relating to each of the divisions is printed on different colored paper, with its own index.

Many Shortages in Arkansas

LITTLE ROCK, ARK. — County officials in Arkansas in the past ten years have shown shortages of \$3,000,000, it is shown in a report by J. Bryan Sims, deputy comptroller in charge of the county audit division of the state auditor's department. He placed at \$400,000 the total of shortages in the past three years. A year ago the state made effective a law to require officers to post bonds by commercial sureties rather than personal sureties.

Actuaries to Study Reserves

NEW YORK—Present methods of handling casualty and surety premium and loss reserves and suggestions for improvement will be the principal topic for informal discussion at the spring meeting of the Casualty Actuarial Society Friday morning and afternoon at Hotel Biltmore. Other topics discussed will be schedule P, with the new parts, 5 and 5-a, discounting for long term compensation and other claim reserves, reserves for loss expenses and for incurred but not reported cases and for unemerged occupational diseases, tests of adequacy of reserves, utility of schedules G, H and Q, present requirements of unearned premium reserves, special conditions in such lines as noncancellable accident and health and credit insurance and proper reserves for retrospective rating.

F. S. Perryman, Royal Indemnity, president of the organization, will speak on "The Casualty Actuary."



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CHANGES IN CASUALTY FIELD

McFarland Heads Casualty Department of H. A. Koch Co.

The Harry A. Koch Co., of Omaha, announces the appointment of Fred W. McFarland as manager of the casualty department. He goes from R. B. Jones & Sons, of Kansas City, where he has been specializing in compensation and other casualty coverages.

Entering the insurance field as a policywriter with R. B. Jones & Sons in 1935, he rapidly advanced and was appointed manager of the liability department in 1937.



F. W. McFarland

Beckwith to Standard

W. E. Beckwith, special agent in the Pittsburgh office of the Maryland Casualty for five years, has been named field supervisor there by the Standard Accident. He will have charge of the casualty business for its Pittsburgh office and will assist also in the supervision of the bonding business in the field.

Previous to his work in Pittsburgh, Mr. Beckwith was for seven years with the Boston office of the Maryland Casualty as special agent and underwriter and before that with the Travelers as an underwriter in its Boston office.

Loux St. Paul Manager

Earl G. Loux, who has been assistant casualty manager at the Dayton, O., office of the Travelers, has been transferred to St. Paul as casualty manager. Mr. Loux was first employed by the Travelers in the St. Paul office 10 years ago. He succeeds G. A. Godine, who has entered personal production in Houston, Tex.

Boyce F. Betzer, assistant manager in Des Moines since April, 1937, has been transferred to Dallas, in the same capacity. He was field assistant in Omaha before going to Iowa.

Thompson Kansas City Head

L. M. Thompson, who on June 1 will become manager of the Kansas City office of the Home Indemnity, with supervision over Iowa, Kansas, Nebraska and western Missouri, spent 10 days at headquarters familiarizing himself with its personnel and methods of operation. Previously for nine years he was superintendent of the casualty department at the Detroit branch of the American Surety. Before that he had been with the Des Moines office of the Aetna Casualty & Surety. He has been in insurance work 15 years.

Casey Named at Brawley, Cal.

The Pacific Employers has appointed Walter P. Casey general agent at Brawley, Cal., where he has been in the insurance business for 26 years.

Baker with Buckeye Union

F. F. Baker, who has become associated with the Buckeye Union Casualty of Columbus, O., will do special agency work in connection with public liability, plate glass and burglary. For six years he was with the Fidelity & Casualty as special agent in northeastern Ohio and

for two years was secretary of the Harry Williams agency at Akron. He also was manager of the casualty and surety department of the J. G. Gaines agency in Akron. He will make his headquarters at the home office.

Gets Seaboard Surety in Seattle

T. A. Veblen, formerly assistant manager General Casualty, has opened an agency at 1012 Joseph Vance building,

Seattle. He will represent the Seaboard Surety in Washington and Oregon for fidelity and surety business.

Zurich Has Concord, N. H., Branch

The Zurich and Zurich Fire have opened a New England branch office in the Patriot building, Concord, N. H., with Silas H. Gregg as manager. The branch was previously in Rutland, Vt.

C. C. Diehl Phila. Manager

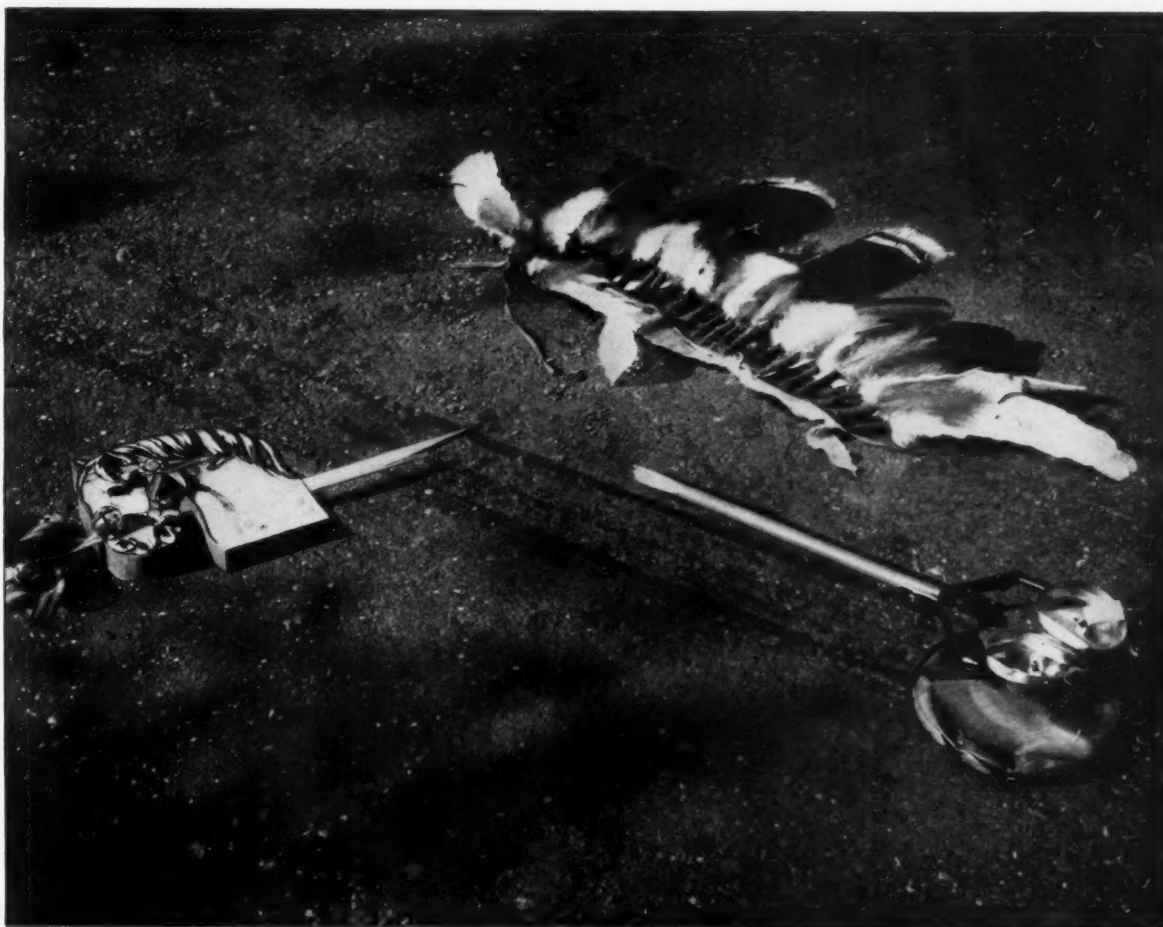
Charles C. Diehl has been appointed district manager in Philadelphia for

American Casualty. He has been executive special agent.

Gallagher Assistant Manager

Kenneth R. Gallagher, special agent American Surety at Syracuse, N. Y., has been transferred to Chicago and appointed assistant manager associated with Manager J. L. Maehle of the Chicago branch office. B. H. Davenport, who for many years has assisted Mr. Maehle, was appointed superintendent of the surety bond department. Mr. Gallagher, a graduate of Syracuse University, was a member of the championship 1920

"Unforeseen events . . . need not change and shape the course of man's affairs"



ONE MORE REDSKIN . . .

The white man's civilization was too much for the Big Chief. Roving the plains on his wiry mustang, he forgot that this is 1939, that today the paleface mounts a swift and powerful steed.

So tonight it's strangely quiet in the Big Chief's home . . . will be forever quiet. And there's a numbness too, tonight, in the heart of a motorist who drove too fast, who forgot to remember that small boys are impetuous.

For many years The Maryland has sought to reduce the

toll of traffic accidents. Lectures, posters and pamphlets on safety methods are used to acquaint pedestrians and motorists with the traffic menace. Particularly in the schools, these educational campaigns have helped.

However, it is a job too big for any one organization. Your intelligent cooperation is needed. Train your children to cross with the lights, not to run or play in the street. And, train yourself when driving to proceed with caution and alertness. Maryland Casualty Company, Baltimore.

The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland agents are equipped to help you obtain protection against unforeseen events in business, industry and the home.

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This advertisement appears in FORTUNE • FORBES • TIME and BUSINESS WEEK during the month of May

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crew. He has been with the American Surety 13 years as special agent, traveling in central New York out of the Syracuse branch, and specialized in contract bond business. He will travel Cook county and most of Illinois.

Opens Sun Indemnity Office

Thomas J. Lyman, who was recently appointed manager of Sun Indemnity in Cleveland, is now opening an office at 1105 Chester avenue in that city. Until a few weeks ago Mr. Lyman was regional manager of Ocean Accident.

Mr. Lyman was formerly superintendent of underwriters of Zurich in Chicago. He then went with the Michigan Insurance Agency in Detroit as casualty manager. His next connection was with Central West Casualty as vice-president in charge of compensation, liability, plate glass and audit departments and he assisted in production. While with that company, he had a large part in originating the all-risk comprehensive public liability policy which has proved to be a significant development.

C. C. Sessions has been appointed assistant manager casualty department of Godchaux & Mayer, New Orleans.

The Ocean Marine of England has been admitted to Oklahoma.

WORKMEN'S COMPENSATION

Charges Most of Auditors Guilty

Joseph Malone, an auditor for the New York state workmen's compensation insurance fund, signed a confession of accepting bribe and charged that most of the 80 auditors of the fund have been guilty of bribe taking in connection with payroll inspection. Malone pleaded guilty in general sessions. He has promised to assist in the investigation.

The district attorney's office estimates that the state fund had lost more than \$3,000,000 in premiums through the operations of dishonest auditors. Malone is reported to have confessed taking more than 100 bribes ranging from \$20 to \$700. The investigation of the state fund was commenced in July of last year. So far 64 employers that were insured in the fund and 17 auditors of the fund have been arrested.

Agree on Illinois Measure

Members of a subcommittee of the judiciary committee of the Illinois house

met in Chicago and agreed to recommend important changes in the Ellison-Lager bill. As originally drawn it provides for 20 percent increase in workmen's compensation for occupational diseases and injuries. The subcommittee will recommend that the increase be limited to 10 percent. It seems that the representatives of labor and manufacturing interests have agreed to support the amendment.

Faulkner Heads Employers Bureau

Officers of the Employers Compensation Insurance Bureau of San Francisco were elected at a meeting following receipt of charter from the state of California. The organization will deal exclusively with employers under the jurisdiction of the California compensation act. Home office is 625 Market street. Offices in Los Angeles and Sacramento are being established. Samuel Faulkner is secretary and general manager. For 30 years he has been an employer and general insurance agent, and associated with the state compensation fund. Other officers include: Vice-presidents, F. E. Russell, northern California general agent and former manager California-Western

States, whose duties will be development through brokers and agents, and R. J. Wilson, formerly field supervisor and general agent for health and accident companies and compensation carriers, in charge of public relations. The purpose of the organization, Mr. Faulkner said, is purely public relations, to bring about a better condition in the compensation field and develop an organization of general information and accident claims prevention for the services of employer and carrier.

State Fund Bill in Florida

TALLAHASSEE, FLA. — A monopolistic compensation bill introduced in the senate would exclude any company from writing compensation in the state. The industrial commission would administer and make rates. It was referred to the committee on insurance.

COMPANIES

Plan Guaranty Casualty

NEW YORK—Interests directing the Manhattan Mutual Automobile Casualty plan organizing the Guaranty Casualty as a stock running mate, with intended capital of \$300,000 and net surplus of like amount. The new venture will confine, as does the mutual company, its writings to bodily injury and property damage automobile insurance, and will seek agency representation. Richard Woike, president of the Manhattan Mutual, who will hold a like post with the Guaranty Casualty, received his initial underwriting experience with one of the leading stock casualty companies of Hartford, and hence has a knowledge of the stock plan of operating as well as the mutual system. It is expected the new carrier will be ready for business about July 1.

Form Kenyon Casualty, Louisville

LOUISVILLE—T. M. Hopkins, special agent for Snyder Brothers General Agency, Louisville, has resigned to become vice-president of the newly formed Kenyon Casualty, Kenyon building, Louisville, a new company being organized to write compensation, liability, personal injury, etc., on buses, trucks, taxicabs and other public conveyances. It will have \$200,000 capital and \$200,000 surplus. James H. Richmond, president Murray State College, Murray, Ky., is president. Merritt O'Neal, commonwealth's attorney, Louisville, and Mr. Hopkins, vice-presidents; T. H. Johnson, formerly with the Commonwealth Life of Louisville, secretary-treasurer.

Revive Public Mutual Casualty

ST. LOUIS—Ted Cronin, business agent of the local service car drivers union, says a new application for a charter and license for the Public Mutual Casualty will be filed at Jefferson City. The company was formed to handle liability and property damage insurance on service cars and Black & White taxicabs in St. Louis and St. Louis County.

Authorized for Hospitalization

PROVIDENCE—The Rhode Island legislature has passed a bill authorizing the Atlantic Casualty & Surety of Providence to write hospitalization insurance with \$25,000 capital. The company originally secured a charter in 1934.

McKee Heads State Auto, Ind.

Arthur Wolf, who has been president, became chairman of the board of Automobile Underwriters and State Automobile, Indianapolis. M. J. McKee, former treasurer, is now president; Paul Knowles, vice-president and manager claim department; T. S. McMurray, Jr., former Indiana commissioner, vice-president; D. B. Early, treasurer. Alex Corbett, Jr., is secretary.

BAMBOOZLE

BAMBOOZLE. To cheat by cunning, or daze with tricks. It is a Chinese and gypsy word, meaning to dress a man in bamboos to teach him swimming. Like the bladders used for the same purpose by little wanton boys, the apparatus is dangerous and deceitful.

—*Dictionary of Phrase and Fable, Brewer.*

Confidence in the insurance business is derived from the recognition of the adherence to sound principles and fair dealing by companies and agents.

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OF

THE American Insurance Group
Newark New Jersey

New Manual, Higher O. L. & T. Rates

(CONTINUED FROM PAGE 10)

T. classifications indicated by "s," the additional charge for \$10/\$20,000 limits over the standard \$5/\$10,000 is now 21 percent, whereas it was formerly 28 percent. For \$25/\$50,000 limits under the same classifications, the additional charge has been reduced from 50 percent to 37 percent. For classifications not indicated by "s," the charge for \$10/\$20,000 limits has been reduced from 15 percent to 12 percent and for \$25/\$50,000 limits from 27 percent to 20 percent. These reductions also apply to owners and contractors protective liability insurance, which continues to be treated in the general liability manual.

The property damage liability minimum premium for O. L. & T. classifications has been reduced from \$10 to \$5. Throughout the new manual the term "bodily injury liability" has been substituted for "public liability." This terminology was adopted several years ago in connection with automobile liability insurance and is spreading into other liability fields.

May Standardize Forms

The prescribed exclusions for O. L. & T. policies are shown in much more detail than previously. There are at present no standard public liability policies outside of the automobile field, but there has been considerable negotiation toward adoption of standard forms for other liability coverages and the attention given to exclusions in the new manual is considered by some as indicating a general standardization in the near future. Most of the published exclusions do not vary considerably from those commonly used by most companies. For property damage liability insurance in connection with apartments, dwellings, farms, estates and personal liability, the usual exclusion of liability for property damage caused by boiler explosion, engines, fly wheel and electrical breakdown and steam and water discharge, leakage and overflow from sprinklers, plumbing, heating systems, etc., has been abolished.

The rule for adding executive officers and directors of corporations as additional assured has been amended to provide that an executive officer who owns property occupied by the corporation and who owns or financially controls the corporation, may be added without additional charge, but only with respect to the part of the premises occupied by the insured corporation. This amended rule applies to both manuals.

Alteration permits may now include liability for demolition, the risk to be submitted to the company for rating. Previously only structural alterations and additions could be covered in this manner, demolition work requiring a separate owners protective policy.

Rate Basis Shown

The classifications section of the new owners, landlords, and tenants manual shows after the description of each classification the basis upon which premium is determined, such as areas, number of admissions, gross receipts, persons, etc. No premiums are shown in the classifications section. On the state rate pages, the rate is shown for each classification, to be applied on the basis indicated in the description of the particular classification.

The revised rules and rates are effective May 15 in all states except Oregon.

Owners, landlords and tenants and residence liability were formerly among the most profitable casualty lines. For a number of years, however, the loss ratio has been going up and a general increase has been expected for some time.

INCREASE IN NEW YORK

In an analysis of the new owners, landlords and tenants and residence lia-

bility rates, Superintendent Pink of New York stated that the net effect will be an average statewide increase of 7.5 percent for standard limits on all classes. In New York City, apartment and tenement liability rates were raised 29.5 percent in Queens and 7.7 percent in Manhattan. The same rates in the Bronx were reduced 5.6 percent and were virtually unchanged in Brooklyn and Richmond.

Outside New York City, the entire state was formerly in the same territory. Under the new manual, cities of over 40,000 population are in a separate class from the remainder of the state. Apartment and tenement liability rates have been increased 21.7 percent in cities of over 40,000 and decreased 1.2 percent elsewhere in the state.

Old Rates Found Inadequate

The old rates, Mr. Pink stated, were based on experience for five years ending Dec. 31, 1932, and became effective in 1934. Experience from 1933 to 1937 indicated that these rates were inadequate. A study was made during 1936, but the indicated increases were postponed because of a temporary improvement in experience, which proved to be short-lived.

On other classes in New York state,

theatre liability has been increased 64.3 percent, residence, estate and farm rates unchanged and miscellaneous classes increased 3.5 percent.

UNCERTAIN IN CHICAGO

Liability underwriters in Chicago were uncertain of the effects of the owners, landlords and tenants liability rate changes, because of the radical revisions in methods of basing premiums. The general impression, however, was that most classes would show increases.

Few Remain on Old Basis

Only a few classifications continue to be rated on the old area and frontage basis. Of these, apartments in territory 3, the highest rated district in Chicago, take an area charge of 26 cents and a frontage charge of 6 cents, as compared with the old rates of 22 cents and 6 cents respectively. Similar increases of 15 to 18 percent were made in the other Chicago territories. Outside Cook County, the area charge was increased from 7 cents to 8 cents and the frontage charge remains at 3 cents. Community garage rates were reduced about 20 percent in territories 2 and 3 in Chicago and were unchanged in Chicago territory 1 and in the remainder of the state.


Morse Males N. Y. Manager For Mutual Benefit H. & A.

NEW YORK—Morse Males, formerly assistant manager of Mutual Benefit Health & Accident's California agency, has been made manager of its United agency in New York City, where he will develop a full time sales organization. In addition to his managerial work Mr. Males has made it a habit to keep up a substantial personal production.

Before joining Mutual Benefit H. & A., Mr. Males was with the American Automobile Association in New York City. His new office is at 1776 Broadway.

Five Minute A. & H. Talks

MILWAUKEE.—A special program for the monthly meeting of the Milwaukee Accident & Health Association provided five-minute talks by members on actual experiences in selling. Speakers were Thomas Callahan, National Casualty; Gerald Murphy and David Schwid, Time; J. G. Erwin, United Benefit Life; W. A. Kempf, Old Line Life, and James Smith, Washington National.



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HOME OFFICE • BALTIMORE

A. & H. Needs Improved Public Understanding

(CONTINUED FROM PAGE 20)

does this \$100,000,000 represent? It would buy 1,250,000,000 loaves of bread or 1,000,000,000 bottles of milk, or 25,000,000 pairs of shoes at \$4 per pair, or feed, clothe and shelter 200,000 families for a year! Just what \$100,000,000 can do may be told in figures, but there is no man so gifted, no tongue so eloquent as to tell the story of what it has meant to troubled souls, of burdens lifted, of homes saved and tears wiped away."

Another service he suggested for local associations is to select men to talk to groups such as clubs and women's organizations, thus getting them better acquainted with accident and health insurance.

Favors Standard Contracts

He expressed the hope that the time may come when the companies can get together and issue a standard line of contracts, as is now the case in life insurance and many other lines. "If this ever comes to pass," he said, "the public will soon get a better conception of the accident and health business."

He also declared that if the public is to have a high regard for accident and health insurance, it is necessary to sell the product right: "Speaking generally, I would say it is being pretty poorly sold and also poorly serviced. Without regard for qualifications, training, temperament, financial condition, men have been given rate books and sent out to practice on the public, causing—quite naturally—an unfavorable reaction against our business."

"Our companies and our associations can do a lot of constructive work along

this line, and any improvement in the standards, ethics and service will bring added prestige to all. Let's remember that we are co-workers, not competitors, in this great business of protecting incomes."

Revision Made in Auto and Garage Liability Forms

(CONTINUED FROM PAGE 20)

to the assured. The popularity of drive other cars cover has aroused considerable speculation on this point. Much of the uncertainty was cleared up last fall when the United States circuit court of appeals, in the case of Continental Casualty Company vs. Curtis Publishing Company, held that the non-ownership policy would not be called upon to pay until the automobile policy of an employee of the assured, with the standard additional interests clause, had been exhausted.

The substitution of "charge" for "consideration" in the exclusion of carrying passengers will eliminate conflicts which have arisen under the guest laws of several states, notably California. In 1937, the supreme court of California, in the case of Western Machinery Company vs. Bankers Indemnity Company, held that a business prospect being driven to look at some property which he contemplated purchasing was a passenger for "compensation," within the meaning of the California guest law, so he could recover a judgment against the assured, but was not a passenger for "consideration" within the meaning of the automobile liability policy, so the company had to pay the judgment. It is believed that the word "charged" will eliminate such conflicts.

The old territorial definition was "United States in North America (ex-

clusive of Alaska) or the Dominion of Canada." The new policy reads, "United States of America, Canada or Newfoundland." The practical result of this change is that Alaska and other American colonial possessions will be included, while Newfoundland is specifically included.

The exclusion of coverage while the automobile is rented under contract or leased, has been eliminated. The limitation of two years for suits being entered against the company has been removed and the state laws control. This eliminates the necessity for special endorsements in some states, because the statutes of limitation were in conflict with this provision.

The principal change in the garage liability policy is the broadening of the additional interests clause to cover executive officers and partners for personal liability for any acts arising out of the business operations covered by the policy. The old forms covered these individuals only for their personal liability in connection with automobile accidents covered by the policy. A number of other garage liability provisions were changed to use the same language as is employed with the new automobile policy.

Personnel of Committee

In the work of preparing the revisions, Hugh Harbison, Travelers, and W. W. Chalmers, Liberty Mutual, represented the stock and mutual forms committees. Mr. Chalmers replaced E. W. Sawyer, who left Liberty Mutual last winter to go with the National Bureau. The underwriting and rates committees were represented by F. A. Seiler, American Surety, and H. J. Ginsburgh, American Mutual Liability.

No action was taken on the proposal to incorporate in the policy coverage for medical expenses of persons injured by

the automobile, regardless of liability. There is much interest in coverages of this type now offered in certain states by a number of independent companies. A proposal for this coverage was submitted to the two organizations by the committees, but action was deferred.

Local Boards Form Backbone of Association

(CONTINUED FROM PAGE 5)

7. We have had representatives at the regional, mid-year and annual meetings of the state association.

8. We cooperate fully with all civic enterprises and are members in good standing with the Wilson chamber of commerce. We are at the present time figuring on entertaining all civic clubs, including the directors of the chamber of commerce and Merchants Association, with a scheduled lecture on "Consumer Cooperatives."

9. At the present time our exchange is employing a special investigator, unknown to all members of the exchange with the exception of the president, for the purpose of running down discrepancies in the writing of hail insurance and investigating the question of rebating in writing hail insurance.

10. Our exchange had all schools in the county appraised by competent contractor. We were successful in writing the entire schedule for the county board of education for a period of five years.

Bodard to Oklahoma City

Burney P. Bodard, formerly of Tulsa, Okla., is new district manager of the Traders & General in Oklahoma City. W. A. McInnes succeeds him at Tulsa.

Under a new law all small loan companies operating in Minnesota will be required to take out corporate surety bonds of \$1,000.

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Would Reconcile Rate Differences

(CONTINUED FROM PAGE 19)

from the National Bureau that there was no intention to make any further rate reductions in Michigan no matter what rate action was taken by competitors.

Mr. Emery wants some expression definitely committing the carriers to a stabilization policy. He expects an attendance of 50 or 60.

The Michigan carriers which were behind the regulatory bill are somewhat appeased by passage of another measure which broadens the powers of carriers organized under the code section applying to exclusive auto-writers. If signed the act will give the Michigan specialty carriers a number of general casualty powers, particularly allowing them to write personal accident policies, thus meeting competition from some general casualty carriers.

OHIO LEGISLATION

At the instance of a number of the domestic automobile writing companies, Superintendent Lloyd of Ohio called a conference in Columbus last Thursday. The National Bureau of Casualty & Surety Underwriters was represented by A. E. Spottke, head of the automobile division. It was an animated session and Mr. Spottke finally agreed that the bureau would not reduce the rates again before January, 1940.

Mr. Lloyd then introduced an emergency bill in the legislature which would require all automobile liability companies to furnish information as to premiums, losses, reserves, etc., in order to prove justification for their rates. Presumably this would mean that each company must show that its rate is neither too high nor too low. The question arises in the minds of some as to whether this will mean separate rates for each company or whether all companies would be averaged. A hearing was held on this bill Monday evening.

Some time ago the Ohio department introduced an automobile anti-discrimination bill. This had the backing of the Ohio Association of Insurance Agents and other organizations.

That bill provides merely for rate filing and prohibits the writing of fictitious fleets. That bill apparently is being held in abeyance because it would conflict with the new measure which has the strong support of the independent companies in Ohio.

The new bill would apply to all casualty rates other than fidelity and surety. It provides that when complaint is made to the department that the rates charged are unreasonable, unjustified or inadequate, the superintendent shall conduct a hearing to determine whether the schedule of rates charged provides adequate reserves, by classes, risks and territories for the hazards insured against and each rate is adequate to de-

fray its pro rata share of all of the operating and maintenance cost of the company; whether any rate is unreasonably high; whether any rate is uniformly charged against all insured of like hazard, risk and territory or whether any rate charged violates any law of the state.

Provisions are made for the collecting of information which must go back over a period of five years.

RESUME OF FILINGS

The Illinois department has prepared a thumb nail resume of the automobile rate filings that have been made by independent casualty companies in the past two or three weeks following the bureau's new promulgation.

These companies have filed rates 30 percent below manual for class A cars: Allstate, American States, Central Surety, Connecticut Indemnity, Continental Casualty, General Accident, Hoosier Casualty, National Casualty, Union of Indiana, U. S. Guarantee and Western Casualty & Surety. These same companies filed different scales for class B, which the department does not specify, nor is there any indication in the resume whether the companies intend to use the Class A1 distinction and if so what the rate allowance is to be.

Some File 32% Below Manual

These companies filed rates of 32 percent below manual for class A and 15 percent off for class B: American Automobile, American Casualty, American Employers, Car & General, Commercial Casualty, Employers Liability, Metropolitan Casualty, New Century Casualty, Northwestern National Casualty, Ohio Casualty, Preferred Accident, Protective Indemnity and Yorkshire Indemnity.

Accident & Casualty filed 25 percent off on all types of cars. American Indemnity is 32.35 percent off on class A and 14.7 percent off on class B. American Motorists is 20 percent off on class A. Freeport Motor Casualty is 29.4 percent off across the board. Home Indemnity is 25 percent off on class A. Indemnity of North America is 23.53 percent off on all types of cars. Manufacturers Casualty is 25 percent off on all cars. Motor Vehicle Casualty filed 29.41 percent below manual on all classes. Trinity Universal cuts 32 percent on class A and 15 percent on class B. Utilities is 30 percent off on class A and 20 percent off on class B.

American Mutual Liability is 27.94 percent off on class A and 10 percent off on class B. Hardware Mutual Casualty is 22.94 percent off on class A and 10 percent off on class B. Lumbermen's Mutual Casualty is 20 percent off on class A.

In addition a number of companies have individual merit rating schemes and some of them have a system comparable to the bureau's safe driver reward plan. These are not indicated in the resume.

MUCH ACTIVITY REPORTED

Bureau Companies Are Getting Favorable Reports from Field on Effectiveness of Program

NEW YORK—Inspection companies are reported swamped with business in states where the National Bureau of Casualty & Surety Underwriters has made automobile rate cuts effective. While it is too early to tell how much is due to bureau companies gathering in a harvest of business, this appears to be the only logical explanation.

Home offices are getting favorable reports from the field, though many agents are still undecided which way to jump. However, a prominent bureau company reports that its Philadelphia office is

"Now, you're covered for every hazard, known or unknown"



The ALL-Risk Public Liability Policy

• No matter how many policies covering specific hazards your client may have there is always the chance that an unknown hazard—something neither he nor you ever considered before—might "throw him for a loss."

That's why this organization pioneered in the development of the

All-Risk Public Liability Policy—a contract that really lives up to its name. It covers the unknown as well as known hazards that every business must guard against. This contract, underwritten by prominent underwriters, is the result of 20 years research in the public liability field. We shall be glad to send you complete details.

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doing a land-office business. The Philadelphia area is one of the most keenly competitive in the entire country and a stronghold of non-bureau carriers.

Some automobile department heads feel that the commission question is the crux of the agents' lack of unanimity in throwing their full weight behind the bureau's rate reduction plan. A complaint frequently heard is that the companies put through the commission reduction involved in the safe driver reward plan on the basis that the companies themselves could not absorb the added cost. Now, these agents say, the companies come along with a cut of 20 or 25 percent. The feeling is that if the companies can afford to cut the rates, they can also afford to put back the commission to the same scale that it was before the safe driver plans went into effect.

Reports from some sections of the country indicate that agents are afraid that if they throw down their cut-rate

companies and give all their business to the bureau carriers, the latter will again raise rates until there is a repetition of the cycle. At the same time, they fear that if they do not place the bulk of their business with the bureau carriers, other bureau agents will raid their automobile business. This danger, is, of course, imminent now that bureau rates are as low or lower than competing carriers. In fact, there are indications that most of the spurt in new business consists of risks formerly in non-bureau companies, very little of it being cars previously uninsured. Despite this hazard, however, many agents dislike giving up the higher commissions obtainable from the non-bureau carriers.

Because of the lag between the time policies are written and reports are actually received at home offices, it is still too early to tell what effect the new rates are having on production other than through indications such as the increase in inspection companies' business and

reports from a few representative areas. Conditions vary with agencies, and this introduces an additional element of uncertainty. For example, the dual representation agency is not helped at all by the bureau rate reduction. Before the cut it had been selling the high premium bureau insurance to those who would buy it and the cut rate coverage to those who wouldn't take the higher priced product.

On the other hand, agencies which have stuck with the bureau companies though perhaps brokering an occasional cut-rate policy are now placed in a position where they can aggressively sell bureau coverage not only on a quality basis but on a price basis as well. The fact that such agencies have fought the bureau fight unremittently now makes them extremely dangerous rivals for agents who would like to stick to the dual representation basis.

OBSERVATIONS GIVEN

The following observations were prepared by an executive of a prominent company and are presented herewith as an interesting sidelight on the situation: "The automobile owner and driver has one friend only, and that his insurance company. Every other organization hits him above and below the belt and in their order of disorder as follows:

1. The United States government.
2. The state government.
3. The city government.
4. The tax assessor.

"The insurance companies on the other hand are spending thousands of dollars to promote safety and thereby reduce the cost of insurance. No insurance company can prosper or grow sanely if the necessity exists of continually raising rates but does make money when underwriting conditions permit the steady reduction of premium costs.

Rates Are Not Scientific

"The companies of all kinds flounder more or less when it comes to scientifically rating automobile insurance. Less than 5 percent know actually what their loss ratio is on strictly private pleasure cars. The mass of figures furnished to their bodies, and from which rates are made, have no separate coding showing dollars of premium divided between, first, strictly so-called pleasure cars, and, second, salesmen's cars and cars used partially for business, consequently it is not definitely known whether the recent reduction in rates is too much or too little.

"A very disturbing factor in recent rate revisions is the procedure of a few companies in making lower rates than the general run. These are largely the so-called non-bureau organizations. It is understandable why small companies may find it necessary to quote either lower rates or higher commissions in order to get what they consider a fair share of the business but why should large companies supposedly well established and presumably following correct underwriting procedure deem it necessary to always quote lower rates than the bureau companies?

Only Two Alternatives

"It is certainly peculiar that companies almost as large as the largest seem to be entirely sold on the idea that they cannot write their share of the automobile business without quoting less rates than the majority of other large companies and then give no credit to the careful driver and write the policies on a non-careful driver at the same rate as the man or woman who is doing his or her utmost to drive sanely and prevent injuries. There is only one answer to such so-called underwriting, namely, either the careful driver is charged too much or the non-careful driver too little.

"The excuse sometimes advanced by particular companies that they write only careful drivers is not only impossible but approaches the laughable. When any company reaches the place where it by any known means writes only careful drivers, then the millennium has arrived

for them and they can cut the present rate in half."

FIRE COMPANIES' POSITION

Some of the casualty companies believe that a few of the large fire insurance groups that have casualty running mates belonging to the National Bureau of Casualty & Surety Underwriters took quite a hand in bringing about the automobile rate reduction on personal liability and property damage. There are some of the prominent fire groups that have outside casualty companies. The fire companies belong to their organizations but some of their casualty running mates are outside the pale. Therefore, the organization groups found that they were greatly handicapped, not only by their associates in their organizations having outside casualty companies that offered more liberal terms but casualty companies that were not identified with any fire group that specialized on automobile insurance were making great inroads.

Therefore, it is stated that some of these powerful fire groups became very restless and insisted that some action be taken. They found that they were losing their fire, theft and collision business to these non-organization companies that were found in their own agencies because they wrote full cover. They brought great pressure to bear on their agents but they were told that there were a number of people that were price conscious and hence they had to have these companies offering a differential in order to hold their business. Now that the cut has been made and the differential, if any, is so slight the organization fire companies say that they will have a much better chance at automobile business. In fact, they say that already the prospects for a switch of a considerable amount of many automobile risks are in sight.

NO MINNESOTA DECISION

ST. PAUL—Commissioner Yetka of Minnesota was hopeful that a new automobile rate setup would be agreed on before the end of this week. What this plan embraces has not been made public. It is understood the governor's office has been consulted on the subject and its attitude will be a factor in the final settlement.

New High Mark in Air Cover on Atlantic Planes

NEW YORK—A new high mark in concentration of passenger liability coverage will be set when Pan-American Airways begins its trans-Atlantic service. Substantial limits per passenger seat will be carried, but the large passenger carrying capacity will be the factor that will make the risk high for each ship. Exact information on the amount of coverage is not available, since claims have shown a tendency to be placed at the maximum insurance coverage carried.

Exposure on these flights may soon be reduced since there is considerable likelihood that the treaty of Warsaw, adopted a few years ago by the United States, Great Britain and a number of European countries, will be found to be binding. This fixes maximum liability in the event of a fatal accident on a flight between two signatory countries at about \$8,300 per passenger fatality. This treaty is now in the courts in connection with the crash of the Imperial Airways flying boat "Cavalier" in January. Outcome of the trial will indicate how much reliance can be placed on the Warsaw treaty in determining the maximum liability.

The first trans-Atlantic airmail flight by Pan-American is scheduled for this week-end. It will probably be several more flights before carrying of fare-paying passengers actually begins.

The Ohio Association of Casualty & Surety Managers will hold its annual Walpurgis party June 16 at the Scioto Country Club, Columbus.



PORTRAIT OF LIABILITY

Liability lies around like a loose stick of dynamite . . . on a stairway, a sidewalk, elevator shaft, perhaps a building job. It comes to life—*explodes!*—when an accident happens, injury or damage is done and somebody has to pay judgment rendered by the court to satisfy claims.

Anyone inheriting property at birth is born with liability. A buyer of property acquires it. Contractors have it

thrust upon them by doing work for owners. All—and their agents or representatives—are by law responsible for injury or damage to others caused on their property.

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POINTERS FOR LOCAL AGENTS

Yacht Insurance Prospects for 1939 Are Pointed Out

By GILBERT B. OXFORD

Hull Underwriter, Marine Office of America, New York

An increasing number of agents and brokers are learning how easily and profitably yacht and yacht "P. & I." insurance may be sold.

Recent research has brought out two remarkable facts. First, that considerably under a half of the pleasure boats are carrying insurance. Second, that in 1938, commonly known as a depression

too high. Obviously yacht owners, many of whom must own and insure automobiles, have never been subjected to any very intensive solicitation for insurance on their boats. Here is concrete evidence:

After the New England hurricane last fall, one of the yacht magazines conducted a survey under the well-known

about 35 percent of the replies said they were not damaged.

Bear in mind that this survey occurred in an unusually insurance-conscious part of the United States—New England. This leads us to hazard a guess that over the entire country, the percentage of uninsured boats is considerably higher. Some are poor risks—uninsurable, but a majority form good prospects.

The most recent Department of Commerce figures are shown in the table forming part of this article. These 1938 figures show the following increases for various sections of the country, in respect of numbered motor boats on federal waterways. (There is no accurate way of finding how many more motor boats are on small rivers and lakes and other non-federal waterways.)

The increases: Eastern seaboard, 13 percent; rivers of south and middle west, 40 percent; Florida and gulf coast, 19 percent; Great Lakes region, 23 percent; Pacific coast, 26 percent.

The grand total of pleasure craft in America, as noted in the table estimate, is of such size and is apparently increasing at such a rate, that the insurance angle cannot well be overlooked.

The yacht policy form in general, with certain limitations, insures against the risks of loss or damage to the vessel insured directly due to fire, theft, stranding, collision, and heavy weather. The form also covers, to the same extent, the owner's liability for collision damage to another vessel.

The protection and indemnity endorsement, in general, subject to certain limitations, agrees to indemnify the yacht owner for payments he may be required by law to make for his liability for loss of life and personal injury to his crew and the public.

The longshoremen's and harbor workers' endorsement complies with the provisions of the federal act relating to compensation for the death or disability of any person, other than the crew, employed by the vessel owner or his captain.

Yacht rates depend upon the several varying factors of the vessel's age, its original cost and present insured value; its speed; and the waters and periods of time navigated. Because of these variables, it is customary to give rates only after application is completed, although schedules of minimum rates are available for general guidance.

Van Beynum Asks Sixty Questions on \$1,000 Policy

(CONTINUED FROM PAGE 21)

adequate? Do they decline \$25 accident policies on men who earn \$75 a week? Has some of the opposition to some of the experiments now being tried or proposed been stirred up by commercial demagogues? Was the automobile business now on the books of companies written easily? Was it cream skimmed with little selling effort? Didn't it take 31 years to reach the 1929 heyday?

"Have we forgotten that in the early days of automobile insurance the pioneer company had to string up banners at road races and hill climbs, put booths in automobile shows and use magazine space to arouse the curiosity and interest of car owners? That it was necessary to issue bulletins and leaflets to stimulate interest in the line because the agents of those days looked on fire, employers liability and accident insurance as the really stable, worthwhile things to push? Does the average car owner know there is such a thing as a \$1,000 policy? Would it surprise you to know that an off-hand one-sentence mention of such a policy down at the end of a long

advertisement appearing in only one magazine brought 50 inquiries to our home office? That many agencies reported the receipt of similar inquiries?

"Will those companies which are short on creating business and long on preying on the business of others find it easy to siphon off this \$1,000 business once it is created? Does this uninsured market contain a large portion of the so-called middle class? Are they the backbone of America, a desirable group that goes where it is invited and stays where it feels it is well treated? How can we find out which of the 18,000,000 supposed to be uninsured can afford even a low priced policy? Can we check off as impossible the 8,000,000 who are supposed to earn less than \$20 weekly? Can we term the 5,000,000 who earn between \$20 and \$30 weekly as fair prospects and the 5,000,000 who earn between \$30 and \$40 as good prospects? Are earnings the measure? Or must living costs also be considered? How about the young man or young woman who lives at home and instead of contributing otherwise to the family expenses supplies the transportation? How about the \$36-a-week man who has a big family, none of whom besides himself earns any money? Is he as good a prospect as the \$18-a-week unmarried youth?

Small Policy Meets Needs

"Even though the \$1,000 policy may be inadequate for the farm owner, does it meet a need of the tenant farmer? Does it meet the needs of the hired man, who years ago drove a sprightly mare but now owns a convertible built for two? Is the man who now thinks he can't afford insurance just as tough a prospect as the man who really can't? How can he be made to feel he can't afford to drive without insurance? In both our advertising and selling have we been putting too much emphasis on the property or dollars a car owner might lose and not enough on the sleep, the peace of mind, the self respect which he may lose and which he may cherish more?

"Why can't we sell a liability policy to many people who, without seriously considering the expenditure pay \$60 a year to rent a garage that protects little more than the paint on cars that aren't new or especially valuable? Is that explained by two words—habit and pride? Can we inculcate the insurance habit? Can we appeal to the car owner's pride in his reputation for paying his bills? His pride in his reputation for good sportsmanship? Possibly some magazines which appeal to the masses, many newspapers, the radio, billboards? Should cooperative advertising be considered? If so should it be among bureau companies only? Or association companies? Or would better results be secured if each company cooperated with its own agents?

"Can we find out anything about this market without experimenting with various things? Has anyone, even a scientist, ever invented an improvement on the trial and error method used in laboratory investigation? While many of these questions seem to be an argument in favor of getting more facts, can we forget the old French saying that some men know everything and understand nothing, while some men who know little understand much?

"Can we, as advertising men, say this isn't our problem? May it not be more an advertising problem than anything else? Do we advertising men sometimes let our associates in business beat us at our own game—the game of words? Do we let our associates in the insurance business say that their proposals for new things and new ways are ideas and that ours are theories?"

MARKET RESEARCH - YACHTS

Listed below: Distribution of documented yachts (over 16 net tons—estimated average value, \$35,000) and registered motorboats (under 16 net tons—estimated average value, \$1,500)

DOCUMENTED YACHTS AND REGISTERED MOTORBOATS OF THE UNITED STATES

Customs District Number	Documented Yachts	Numbered Motorboats	Total Motorboats and Yachts
31 Alaska	17	3,825	3,842
9 Buffalo	19	4,604	4,623
39 Chicago	126	4,202	4,328
47 Colorado	4	3	3
6 Connecticut	164	6,054	6,218
34 Dakota	2	92	94
36 Duluth and Superior	8	1,697	1,705
18 Florida	291	12,979	13,270
22 Galveston	26	4,174	4,200
17 Georgia	14	1,427	1,441
32 Hawaii	4	1,490	1,494
40 Indiana	4	1,101	1,105
44 Iowa	1	1,343	1,344
42 Kentucky	16	1,930	1,946
27 Los Angeles	261	4,835	5,096
1 Maine and New Hampshire	67	7,951	8,018
4 Massachusetts	334	10,003	10,337
13 Maryland	215	15,023	15,238
38 Michigan	184	11,354	11,538
35 Minneapolis	18	2,195	2,195
19 Mobile	18	3,049	3,067
33 Montana and Idaho	...	13	13
20 New Orleans	66	8,871	8,937
10 New York	1,125	29,188	30,313
15 North Carolina	21	4,590	4,611
41 Ohio	89	8,222	8,311
46 Omaha	...	452	452
29 Oregon	7	6,565	6,570
11 Philadelphia	275	13,841	14,116
12 Pittsburgh	9	1,679	1,688
49 Puerto Rico	6	248	254
5 Rhode Island	80	2,780	2,860
8 Rochester	29	4,478	4,507
21 Sabine	11	1,743	1,754
7 St. Lawrence	20	5,371	5,391
45 St. Louis	15	5,592	5,607
23 San Antonio	6	2,006	2,012
25 San Diego	14	878	892
28 San Francisco	120	10,145	10,265
16 South Carolina	10	1,203	1,213
43 Tennessee	9	2,728	2,737
2 Vermont	2	1,716	1,718
14 Virginia	60	9,549	9,609
51 Virgin Islands	1	41	42
30 Washington	209	13,369	13,578
37 Wisconsin	31	5,466	5,497
	3,999	240,050	244,049

ESTIMATED

50,000
INBOARD
POWERED
BOATS

50,000
SAIL BOATS

350,000
OUTBOARDS

At left are estimates of unregistered inboard power boats on Non-Federal waterways, sail boats, and out board motorboats. The aggregate value of America's pleasure craft is well over half a billion dollars.

Increases of 22% above 1937 figures are reflected in the 1938 tabulations, an indication of the increasing popularity of boating as a sport. Most of these boats are insurable for Hull and Liability; it has been reliably estimated that less than half of the owners now carry such insurance.

year, yacht registrations nevertheless increased by almost a fifth, compared to the year 1936. Apparently yachting as a sport is undergoing a rapid growth.

Perhaps in the past, agent and brokers have hesitated to attempt selling yacht insurance under the belief that it was either too complicated a subject, or that the protection was too restricted, or that the rates were

sampling method. Four thousand questionnaires were mailed to subscribers in the storm area. Twenty percent were returned. In response to the question "Insured?"—the breakdown of the replies was: 22 percent wouldn't tell (presumably this means "No," as most of the cards were otherwise filled in); 47 percent said they were not insured; 31 percent said they were insured. Only

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

"Insurance Week" in Detroit School

DETROIT—The Detroit Commercial College, of which R. J. Maclean has been owner and manager since its birth some 50 years ago, conducted an "insurance week," with courses on insurance mechanics and practice. Lectures on "Mathematics of Insurance," "English of Insurance," "Insurance Correspondence," "Insurance Law" and "Insurance as a Profession" were given by members of the faculty, and "Insurance Secretarial Practice" by Helen Dols of the Macabees legal department.

On "professional day," Ben Schuck, Detroit Insurance Agency, went into the mechanics of fire insurance; Verna Fraser, Donald Insurance Agency, discussed automobile coverage and George Feehan, Creed & Joy, handled the difficulties and intricacies of marine and inland marine problems. Harvey Campbell, executive vice-president Detroit board of commerce, spoke of insurance generally as a matter of community and municipal interest.

Extend Gross Earnings Form

The Chicago Board is now permitting the new "gross earnings" use and occupancy form to be written on non-manufacturing risks generally. It was originally announced for mercantiles only and is so restricted in all other territories. The non-manufacturing class takes in risks such as hotels, theaters, race tracks, amusement parks and the like. There is a persistent demand to extend the form to include manufacturing risks, but underwriting

authorities feel that the insuring clause must be rewritten for proper coverage of these risks, since the present form is based upon accounting and business methods. Some question whether a loss can be properly settled for a non-manufacturing risk, without some amendment.

Insurance Society Merges with Cleveland Board

CLEVELAND—Trustees of the Insurance Board of Cleveland have approved a merger with it of the Insurance Society of Cleveland, recommended by a committee of the two organizations. It will be ratified by the full board membership later.

The Insurance Society vested full power in its committee, consisting of George Frankel, J. R. Fraver and I. L. Freiburger, to negotiate the merger. It will become the department of education of the Cleveland Board. It will be directed by a chairman, secretary-treasurer and an advisory committee of 11, including the chairman and secretary-treasurer, named by the trustees of the board.

The new department of education will continue its affiliation with the Insurance Institute of America. It will be on a self-sustaining basis financially but will be aided in various ways by the board. A speakers bureau will be established to fill engagements with various organizations in and out of the insurance business. A library fund will be maintained and the library made available to students during class periods.

Upper Peninsula Agents Prepare for Convention

Guy M. Cox of Iron River, Mich., president of the Upper Peninsula Association of Insurance Agents, is preparing for a splendid meeting at the annual convention in his city, July 14-15. He announces that Insurance Commissioner Emery will attend and speak, also Clyde B. Smith of Lansing, Allan I. Wolff of Chicago, Charles F. Liscomb of Duluth, and W. B. Calhoun of Milwaukee, who compose a quartet of notable past national presidents. An inspection will be made of Iron River, Stambaugh, Caspian and Jasper by 30 members of the Michigan Fire Prevention Association.

The Iron County Association of Insurance Agents has just sponsored a movement with the cooperation of the school authorities in the Stambaugh and Dayton school districts. The speakers were G. A. Strassen and R. W. Carlstrom, both of Oshkosh, Wis., who cover the upper peninsula of Michigan for the American of New Jersey group. They gave practical and plain talks to the school children.

Milwaukee Sprinkler Rates Raised

MILWAUKEE.—Revision of rates for Milwaukee automatic sprinkler systems has been announced by the Wisconsin public service commission, effective July 1. There are 475 sprinkler systems in Milwaukee. The new rates are \$40 a year for four-inch connections; \$80 for six-inch, and \$120 for over eight inches. Present rates are \$25 a year for four-inch connections and \$50 a year for connections over six inches.

Consider Illinois Fire Fund

A public hearing on the possibility of establishing a state fire insurance fund for public schools and public buildings will be held in Chicago Friday afternoon in the Cook County Board rooms, on

the fourth floor of the County building. Leo Crowley, Peoria, is chairman of the sub-committee of the executive committee of the legislature handling this matter.

Illinois Figures for 1938 Are Shown

The total premiums for fire and marine companies in Illinois last year were \$59,040,966 and losses \$24,877,409. The recapitulation by classes is as follows:

	Net Premiums	Losses Paid
Domestic Stock	410,930	126,206
Other State Stock	42,663,539	18,428,253
Foreign Co.	6,586,567	2,918,878
Domestic Mut. Co.	3,635,777	802,869
Foreign Mutual	3,767,713	1,023,008
Domestic Inter-Insurance	169,895	46,403
Other State Inter-Insurance	73,752	115,096
Farm Mutual	1,732,789	1,416,692
Aggregate	\$59,040,966	\$24,877,409

Illinois Leaders

The Illinois leaders, or those receiving over \$200,000 in premiums, are as follows:

	Premiums	Losses
Aetna	\$1,785,146	\$681,047
Agricultural	323,464	116,893
American Auto.	430,612	129,815
Amer. Equitable	421,618	206,116
American Ins.	1,275,296	503,895
Automobile Ins.	834,838	340,641
Bank & Shippers	293,447	124,396
Camden Fire	232,907	103,411
Commonwealth	255,611	94,028
Connecticut Fire	429,364	143,408
Continental Ins.	1,301,159	541,316
Dubuque F. & M.	342,335	130,560
Fid. & Guar.	346,310	142,060
Fidelity-Phenix	1,182,306	594,854
Fire Assn.	910,062	484,973
Fireman's Fund	820,867	358,739
Firemen's	445,191	93,918
Franklin	296,068	161,023
General Exchange	869,506	607,931
General	354,120	117,432
Girard F. & M.	301,560	130,180
Glen Falls	441,726	133,852
Great Amer.	693,182	321,010
Hanover Fire	400,423	165,733
Hartford Fire	2,701,823	1,083,582
Home, N. Y.	2,474,270	1,406,865
In. Co. of N. A.	1,257,106	466,182
Jersey, N. Y.	270,936	66,972
Merchants, N. Y.	380,488	105,564
Milw. Mech.	358,311	157,854
Miller Nat'l	351,701	80,627
National, Ct.	1,594,086	80,459
National Liberty	466,725	141,209
National Union	571,926	298,195
Niagara Fire	272,249	154,634
Northern, N. Y.	431,758	167,223
North River	332,667	133,964
N. W. National	552,392	202,245
Orient	262,870	83,396
Pacific Fire	385,737	177,058
Pennsylvania Fire	330,364	122,175
Phoenix Ct.	673,528	261,495
Providence Wash.	348,945	152,989
Queen	303,679	141,984
St. Paul F. & M.	687,489	226,031
Security Ins. Ct.	435,017	200,452
Springfield F. & M.	836,086	317,267
Standard, N. Y.	437,994	182,103
Travelers Fire	679,487	238,424
United States Fire	772,508	329,474
Westchester Fire	555,901	222,306

FOREIGN COMPANIES

Com. Un. Assur.	\$466,794	\$158,399
Liv. & L. & Globe	420,620	197,822
London & Lancas.	237,057	82,415
London Assurance	363,688	139,619
North Brit. & Mer.	434,764	164,243
Northern Assur.	228,815	77,155
Pearl Assurance	575,336	282,573
Royal Exchange	310,865	157,945
Royal	424,771	198,550
Swiss	287,144	137,175
Swiss Reinsurance	311,743	166,326

MUTUAL COMPANIES

Farm. Mut. Reins.	\$1,911,673	\$266,779
Millers' Mut., Ill.	351,701	80,620
Mill. Own. Mu., Ill.	486,239	169,829
Nat'l Ret. Mu., Ill.	310,835	79,128
Protec. Mut., Ill.	218,235	40,612
Firemen Mut., R. I.	303,705	16,267
Hdwre. Mut. Minn.	240,040	108,184
Minn. Impl. Mut.	245,826	146,653

Dayton Convention Committees

C. H. Watson, Dayton Insurance Service, general chairman in charge of arrangements for the annual meeting of the Ohio Association of Insurance Agents Oct. 16-18 at Dayton, has appointed the following committee chairmen: Earl Coler, master of ceremonies;

Presiding Over Illinois Agents Convention

W. H. Jennings, Jr., Rockford, Ill., president of the Illinois Association of



Insurance Agents, is presiding Thursday over the midyear meeting in Rock Island. This will be a constructive day in many ways. The officers have done much to present a program of real interest. The details of the convention have been handled by Mrs. Lillian L. Herring of Chicago, the efficient secretary. The annual meeting of the Illinois Association of Insurance Agents will be held at Springfield Nov. 8-9.

L. T. Meusele, entertainment; W. R. Keys, golf; J. W. Landis, publicity; J. L. MacBeth, reception; John Olt, registration; John Kramer, company headquarters; Kenneth Atha, sergeant-at-arms; Miss Dorothy Flynn, ladies auxiliary.

Record of Farm Mutuals in Illinois Last Year

The district mutual fire companies of Illinois had income in their home state last year \$165,511 and disbursements \$155,427. They took in assessments and fees \$146,264 and paid in losses \$103,384. The largest company in point of income is the Svea Mutual Protective of Orion which had \$46,089 premiums and \$35,734 in losses. The next was the Green Garden Farmers of Green Garden with \$35,437 premiums and \$20,217 losses.

The county mutuals reported in premiums \$631,750 and losses \$405,372. The leader in premiums was Kingston Mutual County of Kingston with \$24,019 premiums. The next was the Macoupin County Mutual of Carlinville with \$23,720.

The township mutuals reported in premiums \$564,532 and losses \$361,288. The leader was the Dunham & Chemung of Harvard with \$23,126 premiums and \$13,032 losses. The Farmers Pioneer Mutual of Buckley had \$15,623 premiums and \$16,099 losses. The Forrester had \$15,567 premiums and \$2,705 losses. The Pesotum Township Mutual of Pesotum had \$15,480 premiums and \$11,541 losses. The Wheatland Oswego Township Mutual had \$17,130 premiums and \$12,745 losses.

The district mutual windstorm companies had premiums \$269,466 and losses \$87,119. The largest was the Rockford Farmers District Mutual with \$132,633 premiums and \$36,790 losses.

Iowa Membership Growing

DES MOINES—The membership drive of the Iowa Association of Insurance Agents continues to show marked success. The organization now has 392 members. President B. C. Hopkins reports 12 new members added since the national meeting.

Memorial for T. M. Murdoch

SIOUX CITY, IA.—Memorial resolutions for T. M. Murdoch, veteran member of the Sioux City Fire Underwriters Association, were adopted at a meeting of that group. Mr. Murdoch was one of the oldest insurance men in Sioux City in years of service and was active in his business until his sudden

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death. He was one of the first members of the association and was long active in its program.

M. W. Hastings in Eau Claire Post

M. W. Hastings of the Minneapolis branch of Western Adjustment, has been named resident adjuster at Eau Claire, Wis., succeeding F. A. Zilley. Paul L. Johnson will continue as Mr. Hastings' assistant. Hereafter the Eau Claire branch will operate under supervision of the Milwaukee office.

Set Iowa Meeting for Sept. 6-7

The executive committee of the Iowa Association of Insurance Agents has set Sept. 6-7 as the date for the annual meeting. Mason City was agreed upon as the convention headquarters previously. Harry Brown of Mason City, vice-president of the state association, is chairman of the committee on arrangements.

NEWS BRIEFS

H. F. Hennig, with the Omaha office of the Grain Dealers Mutual for 6½ years, has been placed in charge of its Lincoln office.

At its last meeting before the summer recess the Insurance Club of Minneapolis

heard a talk on aviation by Prof. John D. Akerman, head of the department of aeronautical education at the University of Minnesota.

Harold Holker, Maryland Casualty, Chicago, addressed the St. Paul Association of Insurance Women on "Surety Bonds."

J. C. Lanning, agent Tonganoxie, Kan., was presented with a 50-year medal by the America Fore. He has represented the Continental since he was 19 years of age. R. D. Air, state agent, and A. C. Dow, special agent, made the presentation.

I. E. Toevs, Newton, Kan., local agent, has been elected vice-president of the newly formed Kiwanis Club there.

C. J. Livingood has been elected vice-president of Cincinnati Equitable to take the place of Louis E. Miller, who died recently.

George W. Wells, Jr., secretary Northwestern National Life and former Minnesota commissioner, has been named general chairman to arrange for

the silver jubilee meeting of the Insurance Federation of Minnesota. The meeting will be held in St. Paul or Minneapolis in September.

The Kansas Business Development meeting for Zone 6, held in Wichita, was the largest of such meetings held so far in Kansas with some 200 registered, nearly 150 being local agents.

A Business Development meeting different from any heretofore held in Indiana is being planned for Madison, May 25. It will be in the form of an "outing" in Clifty Inn State Park on the Ohio river just west of Madison.

Harley Burch has taken over the agency of the late F. C. Whitehead at Brooklyn, Ind.

Western Mutual Fire is constructing a \$35,000 one-story home office building at Ninth street and Grand avenue, Des Moines.

A new agency has been established in the Young building at Joliet, Ill., known as Read-Adler, consisting of M. A. Read and Betty E. Adler. Mr. Read has been a broker in Joliet for nine years. Betty Adler was with the home service department of the Western United Gas & Electric Co.

N. C. President

Samuel J. Fisher, who was elected president of the North Carolina Association of Insurance Agents at the recent annual meeting in Pinehurst, is owner of the Fisher Company agency of Asheville. The North Carolina association is one of the most formidable state units in the country and in the past few years it has taken on new proportions. The state is well organized and some effective work has been done. The North Carolina association attracted nation-wide attention in March by conducting a most successful school for agents and their employees and field men at the University of North Carolina.



Samuel J. Fisher

there would be one group \$5,000 to \$7,500 and one, \$7,500 to \$10,000. Members have been asked to indicate their own classification based on net premiums for 1938.

In his efforts to establish an effective organization Mr. Saint continues to emphasize a positive position, calling for opposition to all forms of illicit insurance and to non-stock competition, insisting on strict observance of the in or out rule.

Protect Credit With Insurance

KNOXVILLE, TENN.—Addressing the Knoxville Insurance Exchange T. A. Fleming, National Board, suggested the great need of new types of insurance coverage to protect creditors in the uncertain conditions of today. He said 93 percent of all American business is done on a credit basis and that insurance could protect and conserve the assets involved.

To Divide Power Board Line

CHATTANOOGA, TENN.—Insurance covering the properties and facilities of the Tennessee Electric Power Company, to be acquired by the Chattanooga Electric Power Board, will be placed with various agencies in Chattanooga. J. B. Ragon, Jr., who represents the Century and Columbia, has been selected to distribute the power board's insurance to the local agencies. Commissioners from the policies will be placed in a "trust fund," it was explained, with all participating agents sharing the commissions.

The greater part of the coverage will be fire insurance, but burglary, windstorm, compensation and fidelity bonds will be included.

Greeves With Scruggs & Co.

R. C. Greeves, former local agent at Beaumont, Tex., disposed of his agency and is now with Gross R. Scruggs & Co., as special agent in the special risk department of the Dallas offices.

Agent Golfers Defeat Field Men

DALLAS, TEX.—The local agents defeated the company men by a heavy score to win the annual Blue Goose Agents Association golf tournament. The victory gave the agents permanent possession of the trophy awarded by the Fireman's Fund.

McCormack at Chattanooga

CHATTANOOGA, TENN.—The Chattanooga Insurance Exchange gave a testimonial dinner for Commissioner McCormack here Tuesday evening. More than 200 insurance men and their wives attended. Web Brown, president of the exchange, presided. W. S. Keese, Jr., of Trotter, Boyd & Keese introduced

IN THE SOUTHERN STATES

Oklahoma Agents Program Announced

The program for the annual meeting of the Oklahoma Association of Insurers at Tulsa, Okla., Friday of next week is announced. It is as follows:

Convention announcements, H. T. Morgan, secretary, Oklahoma City.
Introduction of distinguished visitors.
Appointment of convention committees.
President's address, John J. Moffatt, Muskogee.

Administration report, Harry P. Frantz, Enid, vice-president.
"What's Ahead for the Organized Agents," John K. Boyce, Amarillo, Tex., member of executive committee National Association of Insurance Agents.
Address "Production of Marine Business."

"Latest Developments in Automobile Rate Changes," A. E. Spottke, manager of the automobile department National Bureau of Casualty & Surety Underwriters.

"The Oklahoma Capital Stock Insurance Council," Jack Adams, Oklahoma City.

Afternoon Session

Reports of standing committees: Finance committee, casualty and surety conference, fire conference committee, public relations, conservation, legislation.

Open discussion by members of the future program of the association: Shall we continue under the paid manager plan of operation? Shall the dues schedule be changed? Are any amendments required to the constitution and by-laws? Shall a mid-year meeting be held or district meetings? Discussion of association finances, etc.

Unfinished business.
Reports of convention committees.
Election of officers.

Mississippi Plans for Agents Meeting

JACKSON, MISS.—A full two days' business and entertainment face members of the Mississippi Association of Insurance Agents when they meet at Gulfport, Miss., May 19-20, according to Wirt A. Yerger of Jackson, secretary. More than 200 agents and field men are expected to attend.

Wellington (Duke) Potter of Rochester, N. Y., will keynote the meeting with an address at the opening session.

One of the principal speakers is Oscar Beling of the Royal-Liverpool group, an expert in accounting, on "Streamlined Accounting."

Among Mississippi state dignitaries who will attend the meeting are John Sharp Williams, III, insurance commissioner, and John W. Sampson, man-

ager Mississippi Rating Bureau, Jackson.

Entertainment activities will extend along the coast and include both Gulfport and Biloxi.

Meeting at the same time as the agents will be the Mississippi Blue Goose. Warner Wells of Greenwood is president of the agents body.

Big Rate Cuts in Arkansas Ordered

LITTLE ROCK—Based on an excess of \$1,333,678 in underwriting profit over the statutory 5 percent for the past five years, the Arkansas department has ordered a 10 percent reduction in fire rates on mercantile and office buildings, 5 percent on contents and 10 to 20 percent on miscellaneous risks. Governor Bailey estimated the rate reduction at \$100,000 annually.

The 10 percent reduction will apply also on public garages and dry cleaning plants, but will not be applicable on buildings having sprinkler protection. The rate adjustment will be applicable on policies written after April 1. In 1938 the department ordered a rate adjustment, effective principally on dwellings, estimated at \$1,000,000.

Commissioner Harrison said that in the five years prior to April 1, fire companies in Arkansas had earned premiums of \$24,102,624 and losses and expenses of \$21,563,815 for a profit of \$2,538,809. The 5 percent statutory profit would have been \$1,205,131.

In addition to rate adjustments made by the department, 14 cities and towns have qualified for rate reductions by improving fire fighting facilities, Commissioner Harrison said.

Pre-Convention Membership Drive Staged in Tennessee

NASHVILLE—The executive committee of the Tennessee Association of Insurance Agents will meet June 9 to formulate the groundwork of a program for the annual convention, according to Manager John D. Saint. Meanwhile, an intensive membership drive is being staged.

A special committee, meeting in Nashville examined the records of the association and found its finances in excellent condition. However, it is faced with the perpetual insurance organization problem of adjusting dues according to the ability of its members. The special finance committee suggested spreading dues groups in smaller classes and increasing the number of classes from four to eight under \$50,000. Instead of one \$5,000 to \$10,000 group


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F. N. JULIAN, Alabama

Insurance Commissioner Frank N. Julian was honored Wednesday evening of this week by the home insurance folk of Alabama at Birmingham. "Uncle Frank" is very popular with the fraternity and he was in his finest fettle at this testimonial of affection.

Commissioner McCormack. Stanley Lachman was general chairman.

Accompanying Commissioner McCormack there from Nashville were J. H. Norton, manager Tennessee Inspection Bureau, and John D. Saint, secretary-manager Tennessee Association of Insurance Agents.

Aldridge in General Agency Firm

J. H. Aldridge, formerly with T. A. Manning & Sons, Dallas general agents, has acquired an interest in the Coffman & Daily general agency at Austin. The firm name has been changed to Coffman, Daily & Aldridge. Mr. Aldridge is in charge of the Fort Worth office.

Program for Va. Convention

RICHMOND, VA.—Larry J. Hardiman, Norfolk, Va., immediate past president of the Virginia Association of Retail Clothiers & Furnishers, will speak at the annual convention of Virginia Association of Insurance Agents here May 25-27. He will discuss some of the phases of the consumer cooperative movement.

Other speakers who have accepted invitations are William H. Menn, Los Angeles, national president; John H. Eglof, Travelers, Hartford; Roy A. Duffus, local agent, Rochester, N. Y., and Commissioner Bowles.

There will be a golf tournament the afternoon of May 25. Past presidents will stage their annual dinner that evening. Friday evening the annual banquet will be held.

The Fire Companies Adjustment Bureau has opened a service office at

Lynchburg, Va., in 306 Krise building, with J. B. Hoge as adjuster. He will clear his work through the Roanoke, Va., office, from which Manager F. G. Tucker will have general supervision over Lynchburg.

Estimated loss of \$50,000 suffered by the American Furniture & Fixture Company in a fire at Richmond, Va., was covered in mutuals. There were no stock companies on the risk.

Mark Bradford, Jr., Nashville local agent, addressed a joint meeting of the Nashville Automobile Club and the Tennessee Motor Association on reduced automobile insurance rates.

New officers of the Insurance Women's Club of Tulsa, Okla., are: Mrs. Irene Brinkley, president; Miss Loretta Connelly, first vice-president; Miss Jessie Rosencrans, second vice-president; Mrs. Naomi Vickers, third vice-president; Mrs. Ethel Winchell, secretary; Miss Ruth McCain, treasurer, and Miss Marge Porter, reporter.

Cravens, Dargan & Co., Houston, had their annual picnic at Camp Sterett, which is an employees club located about 50 miles from Houston. More than 250 employees, local agents, and friends attended.

The annual spring festival of the Paris (Tex.) Insurance Exchange was held at the Paris Country Club with agents from several surrounding counties attending. This outing is a feature attraction for north Texas agents every year. Philo Wood was elected president of the exchange, and J. W. Bell, secretary.

F. W. Selsor, claim attorney for the Fidelity & Casualty, is one of the speakers at the convention of the Virginia Bankers Association held on board the S. S. "Queen of Bermuda" on a week's cruise to Bermuda and back. His topic is "Factors Determining the Kinds and Amounts of Insurance Banks and Trust Companies Should Carry."

COAST

New Mexico Fails on Qualification Bill

The New Mexico Association of Insurance Agents made a strenuous effort to get an agency qualification bill passed at this year's legislature. It was passed by the senate. It was then sent to the house and given to the banks and corporation committee. This committee insisted on making some changes and introduced life agents. The New Mexico association felt that this was certain to defeat the measure. The bill was sent to another committee but was not reported out.

The executive committee met in Albuquerque and after deciding to hold the annual meeting Sept. 22-23 at the Franciscan Hotel, Albuquerque, recommended that a program be planned to give considerable time for discussion of casualty and marine coverages.

The Rocky Mountain Fire Underwriters Association has offered cooperation in working out the appointment of agents which the New Mexico association feels are not qualified. When any member makes a complaint regarding any agent or new appointment all information can be sent to Howell Earnest, Santa Fe, who is the president. The officers will consider the complaint and send a recommendation to the advisory committee of the Rocky Mountain Fire Underwriters Association.

Appropriation for Colorado Department Still in Doubt

DENVER—In the absence of Governor Carr's signature to a bill passed by the legislature raising the commissioner's salary to \$4,200 and providing for an actuary and an additional exam-

iner, the appropriations committee has compromised on a \$2,400 salary for an actuary, Commissioner Luke J. Kavanaugh told meetings of the Denver Association of Insurance Agents and the Colorado Association of Life Underwriters.

Outlining the difficulties he is facing in the new job, Mr. Kavanaugh made a plea for cooperation of agents and said he would welcome suggestions from all branches of the insurance business. Revealing that although the department took in \$850,000 last year it had only \$26,000 for operating expenses, Mr. Kavanaugh stressed particularly the need for additional examiners.

Actuary Must Be Full Time Man

Just what will be the outcome of the appropriation problem is uncertain. The decision of the appropriations committee was that the \$2,400 actuary agreed on could be a part-time man. But the civil service regulations prohibit part-time workers. So the matter isn't really settled.

"One thing I will say is that although I didn't ask for this job and didn't want it, I intend to make a business of it," Mr. Kavanaugh declared. "I'm not afraid to say yes or no. I'll try to decide, to the best of my ability, what's right and then go ahead and do it regardless of what anyone thinks."

Lindholm, Hogg Seattle Speakers

SEATTLE—A. M. Lindholm, chief surveyor Washington Survey & Rating Bureau, discussed important tariff and rule changes at the King County Insurance Association meeting. E. R. Hogg, special agent United Pacific, explained the comprehensive liability policy.

To Carry Its Own Insurance

The Los Angeles county board of supervisors has adopted a plan whereby the county will carry its own fire insurance on all county buildings and a fund of \$80,000 is set up for the first year's cost. The county line of \$10,000,000 expires July 1. This is carried in 75 board companies and the five year premium amounted to \$200,840. The county committee of the Los Angeles Insurance Exchange, which was nego-

Lasher Executive Committee Chief

SAN FRANCISCO—C. D. Lasher, Pacific Coast manager of the Home of New York group, was elected chair-



C. D. LASHER

man of the executive committee of the Pacific Board at its organization meeting. Unless precedent is disturbed during the next two years, this indicates that in 1941 Mr. Lasher will be elected president of the board.

Mr. Lasher came to the Pacific Coast from Chicago in January, 1937, and has had his responsibilities increased at least twice since assuming charge of the San Francisco office. He has been a member of the executive committee of the board the past year. Before coming west he was with the Home in Chicago as manager for five years. He joined the company in 1904, and was Indiana state agent for many years before becoming Chicago manager.

tiating with the supervisors for renewal will make a fight to retain it.

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NEWS BRIEFS

Roy H. Becker, local agent in San Pedro, and Mrs. Gertrude S. Rounsevalles, wife of a Los Angeles insurance man, were reelected to the Los Angeles board of education.

The Insurance Women's League of San Francisco heard a demonstration of the art of speech and practical dramatics by Miss Alice Donaldson well known dramatic coach and artis director of Mission high school. Miss Maritza Barofcy, John Hancock Mutual Life, will talk on life insurance June 14.

The Insurance Accountants Association of San Francisco will have its annual outing at Ingleside Golf Course May 19.

George O. Gray, instructor in insurance in Los Angeles, adult evening classes, will take office space with the U. S. F. & G. as a broker, while continuing his educational work.

R. P. McGuire, assistant Pacific Coast manager Home of New York, presented W. McCampbell, Ventura, Cal., agent, a 25-year veteran service button.

Los Angeles Insurance Accountants Association at its meeting May 11 discussed credit matters and received reports on agency situations.

Harold Bayly, president of the West American, now is a limited partner only in the firm of Bayly Bros., Los Angeles. The general partners are R. D. Bayly and D. D. Foss.

Oregon Mutual Fire agents from five western states gathered at the home office at McMinnville, 120 strong. Speakers included Governor Sprague, Secretary of State Snell and Commissioner Earle.

M. J. Turner has opened an independent adjusting office at 206 First National building, Walla Walla, Wash.

The Insurance Brokers Association of Quebec celebrates its silver jubilee in June.



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Reelected to Office



JAMES W. HENRY, Pittsburgh

J. W. Henry, former president National Association of Casualty & Surety Agents, former president Pennsylvania Association of Insurance Agents, well known throughout the country, has been reelected president of the Pittsburgh Association of Insurance Agents.

EAST

Vermont Local Agents in Convention at Rutland

RUTLAND, VT.—The semi-annual meeting of the Vermont Association of Insurance Agents is being held here this week at the Rutland Country Club, presided over by President H. F. Shea of Montpelier. A. C. Mason of this city is secretary and treasurer and I. Munn Boardman of Burlington, national councillor. All three will give their reports. There was a noon lunch Wednesday at the country club. Addresses were made by A. W. Spaulding, secretary Hartford Accident, on "The New Way of Buying Business;" A. B. White of Keene, former president New Hampshire Association of Insurance Agents, on "Workings of the New Hampshire Automobile Law;" E. M. Allen, executive vice-president National Surety, on "Knowledge Is Power." Mr. Boardman gives the report on the mid-winter meeting of the National Association of Insurance Agents at Hollywood, Fla.

R. M. L. Carson Is Slated

An address will be given by R. M. L. Carson, Glens Falls, N. Y., president New York State Association of Local Agents, and one by W. H. Brewster, assistant manager automobile division National Bureau of Casualty & Surety Underwriters, on "The Present Automobile Rate Situation." The day's proceedings will close with a banquet.

Two Agents Honored for Fifty Years of Service

Berthold A. Oppenheimer, completing 50 years in the insurance business in Springfield, Mass., was given a dinner by his friends and associates and presented a gold watch and other gifts. State Agent H. Hayes Landon of the Agricultural was toastmaster.

George N. Andrews, 50 years in the insurance business in Nashua, N. H., was given a dinner by representatives of the companies in his agency, with Vice-president O. A. Dexter of the Granite State Fire, G. E. Ryan, United States Fidelity & Guaranty, and H. K. Bartlett, Traders & Mechanics Mutual, in

charge. Mr. Andrews was presented an electric banjo clock.

Company Buyers Meet

WORCESTER, MASS.—A dinner meeting of the Association of Insurance Company Buyers was held in Worcester, attended by purchasing agents of some 14 New England companies. C. M. Bell of the Massachusetts Bonding spoke on commodity price trends. The association will hold its annual meeting in Hartford June 13.

Scaff Visits New York Field

George E. Scaff, recently called from the western Pennsylvania and West Virginia field for the Royal Exchange to become assistant general agent at the United States headquarters in New York City, is visiting its agents throughout New York, renewing acquaintance with many he knew while an examiner some years ago. As indicating the popularity of Mr. Scaff with special and state agent associates in his former territory,

55 of the number joined in a testimonial dinner on the eve of his leaving for his new post.

Lee H. Tucker's Experience

Lee H. Tucker of Springfield, Mass., who becomes executive secretary of the Massachusetts Association of Insurance Agents and field secretary of the Service Men's Protective Association, organized and served as president of the Mutual Fire & Casualty Agents Association of Northwestern Ohio. H. P. Janisch remains as director of the Service Men's Protective Association. Mr. Tucker was educated at Massachusetts State College and later Michigan State College. He started his insurance career with the Travelers and after taking a course in the training school served at New Haven and Grand Rapids.

Special Agent Walter Keany of the American of Newark addressed the Worcester (Mass.) Board on the new use and occupancy form G.

CANADIAN

Ontario Handbook Being Distributed

The Underwriters Hand-Book for Ontario for 1939 has just been published by THE NATIONAL UNDERWRITER. This is the second edition of this comprehensive reference book covering Ontario insurance-wise.

It lists all of the agents in the province showing recommending company, members of firm, other business transacted, sub-agents, etc. The compilers have gone to much trouble and expense to obtain the complete list of companies represented by each agency. This data is not available in the insurance department files and involves many personal calls, correspondence and checking. Data is given on all agents and companies, fire, casualty and life—stock and mutual.

Besides the "Agency Directory" there is also given the complete list of companies licensed together with full data about each showing officers, home office address, financial statement, local field representatives, date of entry into Canada, group management and organization affiliation. A separate section lists all the groups in Canada by management together with the companies comprising these groups.

Much Miscellaneous Data

Miscellaneous data is given showing the various insurance organizations with their officers and addresses, a brief resume of the insurance laws of Ontario, list of insurance attorneys and adjusters, population of the various cities and towns and much other valuable data. By the use of the book one is able to get a very complete picture of the insurance line-up of each town in the province.

The "Record of Insurance in Ontario," showing fire and casualty companies' premiums and losses by lines and the life companies' insurance paid for and insurance in force for the past four years is being published in a separate booklet to be distributed free of charge to all purchasers of the hand-book, within the next week or so. At the time the hand-book itself went to press this data was not available and so has been printed in a separate booklet.

THE NATIONAL UNDERWRITER maintains a branch office in charge of W. H. Cannon at 68 King street East, Toronto.

Insurance Taxes Doubled Under New Quebec Act

MONTREAL—The tax rate on business of fire and casualty insurance companies in Quebec has been approximately doubled, with the minimum greatly increased.

Fire and casualty companies, which

formerly were assessed only 1 percent of premiums received, are now charged 2 percent. In addition, where the minimum tax (except for mutuals) used to be \$250 and on life companies \$400, it has now been raised to \$100 for reciprocals or mutuals, \$300 for marine companies, and \$500 for every other company.

In the case of reinsurance the principal insuring company shall be liable for the payment of the total premium tax; however, the reinsuring company shall be exempt from the premium tax on the proportion of the premium paid to it for such reinsurance.

Only return premiums and the cash value of the dividends paid or credited to policyholders shall be deducted from the premium received. No deduction shall be allowed for payment to insured of cash surrender or loan values.

Province of Alberta In Insurance Business

EDMONTON—A legislative act has been passed empowering the province of Alberta to engage in the business of fire, sprinkler leakage, tornado or wind-storm, lightning and explosion insurance on property in the province.

The provincial treasurer is authorized to make advances out of the general revenue fund to finance the business. Cash surpluses are to form part of the fund also. Regulations to govern the business are to be made by the lieutenant-governor in council.

Cut for Manitoba Towns

TORONTO—The Western Canada Insurance Underwriters Association has put into effect rate reductions on dwellings in East Kildonan, Fort Garry, St. Vital, Tuxedo and West Kildonan, Man.

Classification of buildings has been changed to bring them into line with the practice in effect in first and second class protected cities.

Dominion Board Meets May 30

The annual meeting of the Dominion Board, of which A. H. S. Stead is manager, will be held at the Chateau Laurier, Ottawa, May 30. J. H. Riddell, Toronto, manager for Canada of the Eagle Star, is president of the board.

Anglo-Canadian Underwriters, which recently opened a new head office for western Canada at Regina, will, it is understood, shortly open other company offices in Saskatoon, Calgary, Edmonton and Vancouver.

The annual initiation meeting of the British Columbia Blue Goose was held in Vancouver. T. G. Norris, barrister, spoke on "Human Side of Law."

Parson, Brown, Ltd., in the insurance business in Vancouver, B. C., for 20 years, has taken over H. C. Macaulay & Co., Ltd., active there for over 30 years.

MARINE INSURANCE NEWS

Cites Usefulness of Inland Marine

A. W. Barthelmes, marine secretary of National Union Fire, in addressing a group meeting in Pittsburgh during Pennsylvania Insurance Days, traced the growth of the inland marine business to better than a \$50,000,000 industry last year and pointed out the major role inland marine plays in the insurance picture of today.

"The inland marine business prospers because it strives within its authority to provide broad all-cover protection to meet the peculiar insurance requirements of the individual insurance buyer. The trend in all forms of insurance today is definitely toward comprehensive all-in-one contracts. No longer is the applicant content with a variety of policies covering a particular interest against a few named perils only. Modern business methods require modern insurance contracts. Inland marine makes a substantial and forward-looking contribution in filling that need.

"The usefulness of inland marine insurance is amply demonstrated by the millions of dollars paid to claimants each year for losses arising from collisions, derailments, wrecks, sea perils, floods, fires, explosions, wind storms, thefts, non-deliveries, breakages, earthquakes, and many other perils insured under inland contracts.

"When enormous amounts of liability are demanded by the insuring public on high-value risks such as bridges, tunnels, jewelry, fine arts, fair exhibitions, or registered mail the marine market is not found lacking. So well is the business organized that American insured encounter no difficulty in covering their maximum needs here."

New Floater Rules Do Not Peg Jewelry, Fur Rates

Outside companies, under the new rules, rates and forms approved by Illinois department and the Inland Marine Underwriters Association for writing

the personal property floater in that state, effective June 1, will be able to include jewelry and furs at any rates they may select. While under the new setup in Illinois, where the personal property floater is handled through a joint bureau of I. M. U. A. and independent companies, the blanket portion of the floater was pegged, this was not done on the schedule portion.

Marine men also observe that the new rules will work to the disadvantage of some assured who have been buying a comparatively large amount of insurance under the schedule section and little under the blanket. The \$40 minimum premium under the new rules applies only on the blanket portion. Therefore, to get the same amount of specific insurance as heretofore, such assured would have to pay more premium than in the past.

Idaho Gives Approval

Commissioner Walrath of Idaho has approved the nation-wide definition and interpretation of the insuring powers of marine and transportation underwriters with certain modifications. This was adopted by the National Association of Insurance Commissioners in 1933.

Cover Big New Orleans Bridge

NEW ORLEANS—A line of \$6,000,000 property damage and \$803,800 U. & O. was placed on the Huey P. Long bridge here through Parkerson & White and Hartson, Inc., details of the coverage being handled by Charlton White. Fourteen local agencies shared in the commission. Total premium was about \$46,000. Companies on the line were: General of Seattle, \$2,000,000; Gulf, \$175,000; Jersey, \$117,100; Merchants, R. I., \$1,400,000; Rhode Island, \$1,400,000; Sea of London, \$1,700,700.

Lowry Joins Creed & Joy

Willard E. Lowry has connected with Creed & Joy, well known agents of Detroit, as underwriter and manager of the marine department. He is a graduate of the University of Michigan and has had considerable experience in marine insurance. He was formerly with the Fireman's Fund in its western marine department at Chicago, then was with the marine department of Marsh & McLennan and more recently with the Hartford Fire's western department.

Professor

E. Dana Johnson of Atlanta, manager of the southern department of W. H. McGee & Co., marine underwriters, is now regarded as a full fledged professor in insurance schools. In July, last year, he lectured in the Florida school and his material was so constructive that he was made one of the faculty of the North Carolina school last March. He is slated to appear at the Indiana University intensive course next week. Then he will return to his stamping ground and get ready for the Florida Association of Insurance Agents intensive course at Hollywood, Fla., July 5-8. The Georgia Association of Insurance Agents sponsors a course at the University of Georgia at Athens, July 19-22 and "Professor" Johnson will lecture there. He has already been signed up for the University of North Carolina next year. All these schools are sponsored by the state associations of local agents.



E. Dana Johnson



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MOTOR**Fire Offices Take Advantage of Cut**

Some of the fire companies writing automobile insurance have been making hay while the sun was shining following the action of the National Bureau of Casualty & Surety Underwriters in making a drastic cut in personal liability and property damage rates. Many of these companies have casualty running mates or if not, they have arrangements with a casualty company to write a combined policy. Therefore, some of the aggressive companies saw an opportunity by taking advantage of the situation.

In perhaps 75 percent of the agencies there will be found a non-conference automobile company which the agents use more or less. They have maintained that this is a necessary procedure or otherwise they would lose a lot of business. Some declared they kept a non-conference company, using it when necessary, giving such business as would not bear the manual rate to the outsiders. The outside companies were growing more and more militant and were able to develop an accumulative business.

The board fire companies, therefore are now going to their own agents having outside casualty companies writing full cover automobile insurance and present very strong arguments to them to switch a great part of their business now that the rate differential is so slight, if any. The point was made that with the safe driver reward, the board companies were really writing at less rate than the outsiders, the edge for the board companies being estimated at 5 percent. The only advantage to the agent was on the commission as the outsiders as a rule pay 25 percent. The fire companies pay 25 percent but the bureau casualty companies pay 15 percent for automobile business. The result has been that a number of fire companies dispatching their special agents to strategic points claim to have paved the way for having considerable business switched to them as time goes on.

Blackall Holds Parley on Finance

NEW YORK—Substantial progress in the direction of limiting maximum commissions paid for insurance on financed automobiles resulted from a meeting here Wednesday of the subcommittee of commissioners, of which Blackall of Connecticut is chairman.

Represented at the meeting were all types of carriers doing this class of business. Finance companies were not requested to be present.

There was discussion of the recent action of the National Automobile Underwriters Association in putting a top of 30 percent on finance commissions. Some objected to making such a proposal general, however, feeling that there should be some provision for contingent commissions for better than average loss experience. Blackall believes that keeping acquisition cost in line on financed business can be taken care of by agreement between the commissioners and companies.

There was discussion as to what extent the sub-committee should recommend to the commissioners association any general policy, but no definite conclusion was reached.

Associated with Mr. Blackall on the subcommittee are: Commissioners Lloyd, Ohio; Waters, Texas; Boney, North Carolina, and McCormack, Tennessee.

Would License Finance Firms

A bill is pending in the New Hampshire legislature to give the insurance commissioner authority to regulate automobile finance companies. Banks and trust companies are specifically excepted.

Acquisition Rules Are Adopted

(CONTINUED FROM PAGE 19)

salaried employee who must be recognized as a surety expert devoting his entire time to fidelity and surety. His premium volume must have averaged \$35,000 a year for the last three years. The commissions for a city agent produced by him personally or by salaried employees of producers housed within his office shall not exceed the general agency commission. On business received from producers not housed in his office he is allowed only the brokerage commission.

Trend of Brokers' Opinion

Reports from many sources in Chicago indicate that opinion is growing among full time brokers in the Insurance Brokers Association of Illinois that the companies should assume complete responsibility for regulation of commissions paid to part time brokers and that they should be considerably less than those provided.

A 5 percent commission limit recommendation was defeated at the quarterly meeting of the brokers association some weeks ago in Chicago. However, many say that the motion as put forth was ill-considered and unadvised at the time of inception.

Letter to Schofield

The official stand of the Illinois brokers group, which may be altered with an indicated growth of dissatisfaction with some of the acquisition cost conference proposals, was set forth in a letter to E. J. Schofield which reached him in time for Tuesday's meeting in New York City.

The letter voiced objection to payment of high commissions to politicians, and salaried employees of mortgage houses and life companies. It contended that the companies should not interfere with commissions paid by general agents to brokers. Full time brokers, according to the letter, are entitled to "regional" commissions.

Rules Out the Outsiders

Bank Commissioner Husband of Massachusetts has issued an order that hereafter sureties on bonds and insurers on policies under his jurisdiction must be companies organized under the Massachusetts laws or licensed to do business in Massachusetts. This follows the recent New York decision. London Lloyds has written some of the coverages for the large trust companies. In case of dispute the outsiders are not subject to service of process by the Massachusetts courts. This is a condition the commissioner attempts to overcome.

Mass. Bonding Des Moines Meeting

The Massachusetts Bonding held a one-day educational convention in Des Moines. Spencer Welton, vice-president, was chairman. Other speakers were Vice-president G. W. Berry, fidelity department; Assistant Vice-presidents P. N. Counsell, automobile; H. J. Aldrich, compensation and liability, and Stephen McLaughlin, burglary, plate glass and accident and health; Superintendent F. J. Graf, engineering and inspection department. J. H. Marshall is Des Moines manager.

Similar meetings also were held this week in Kansas City and Dallas.

Files N. Y. Building Plans

Plans for the erection of a seven-story building by Aetna Casualty on the western block front of William street, between Fulton and John streets, have been filed. The estimated cost is \$1,200,000.

H. K. Rogers, Western Actuarial Bureau, who has been ill for seven months, is now back on the job. He spent his time recuperating at Corpus Christi, Tex.



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Put Extra Burden on All Companies

Commissioner Taggart of Pennsylvania under date May 11 notifies all companies that he has approved WPA project for his office whereby a comprehensive record and classification will be developed. Within 10 days from notice he asks each company to send to the department a full list of all policies, endorsements, riders, etc., now in use or used in the past, giving a description of each and code number, the order to be followed being the date approved by the department or when first used.

The commissioner acknowledges that he is imposing much labor on companies. Executives are wondering if the WPA people will be quietly and serenely lounging in the department's easy chairs, while the companies are compelled to do all the work. It is an onerous and expensive job.

Bielaski Addresses W. I. B. Meeting

(CONTINUED FROM PAGE 3)

tional, tendered his resignation from the W. I. B. Harry L. Seip, vice-president of Northwestern National, was elected to membership as were O. B. Brown, secretary of Firemen's, and W. S. Whitford, executive vice-president of Millers National.

A memorial was presented for the late Harry M. Giles, who was president of Millers National. E. E. Soenke was chairman of the memorial committee, the other members being J. C. Hiestand and Lloyd W. Brown.

Mr. Hiestand served as chairman of the nominating committee of the W. I. B. Mr. Bielaski, in his talk, related the successful undertaking on the part of

the National Board to make it possible to prosecute arson cases. In the early days, in order to be subject to prosecution, a person had to burn property not his own. This meant that a tenant could not be prosecuted, because he had the right of occupancy. Also, the charge had to be that the defendant had burned to defraud an insurance company.

The model arson law was drafted, which is not related to insurance. It provides the means for desirable and effective prosecution. The model arson law is now in force in 39 states. It was passed in Idaho and signed by the governor just recently. It was passed in Montana but the governor vetoed it on the ground that it would prohibit a farmer from burning a shack upon his property. This was a misconception, Mr. Bielaski pointed out. The law refers only to malicious and wilful burning.

In several other states it was found simpler to amend the existing law to get the desired results. In only two or three states today, he said, are there serious defects in the law governing prosecution of arson cases.

Stimulate Public Officials

Getting the necessary legislation was the first task, Mr. Bielaski said. The second was to stimulate public officials. Ten years ago, he said, many public officials would have nothing to do with an arson case. The National Board has by now converted a great many public officials into zealous crusaders.

The National Board, he said, has sought to help in state situations. For instance, in Tennessee the fire marshal's department was a section of the department of labor and there it was badly submerged. Now it is a unit in the insurance department. The state has been well organized and Mr. Bielaski predicted that effective work will be done in Tennessee. He complimented Commissioner McCormack highly.

He said there were 17 fewer arrests in the last fiscal year for arson. There were 19 more convictions and 35 more acquittals. Although the ratio of convictions to acquittals was less, more cases were tried, indicating that the states attorneys are more willing to prosecute.

Arson Rings Eradicated

The professional arsonist and rings of long standing are practically eliminated, according to Mr. Bielaski, and they should never again be able to get a foothold.

In nearly every large arson ring, Mr. Bielaski said, the public adjuster is usually the fountain head of the operations.

Mr. Bielaski complimented the insurance companies for their firm refusal to pay when a criminal case is pending.

Arson should never again, he declared, get to the point where it was five or six years ago.

E. S. Inglis, vice-president of Corroon & Reynolds, presided at the meeting of the Western Sprinkled Risk Association. He was reelected as president. L. P. Tremaine, vice-president of the Meserole companies, is vice-president; J. C. Hiestand, secretary Ohio Farmers, is another vice-president and W. S. Whitford, executive vice-president Millers National, is vice-president and treasurer.

Nominating Committee Personnel

E. E. Soenke was chairman of the nominating committee. The other members were J. W. Knox, Chicago manager Corroon & Reynolds, and R. W. Wetzel, vice-president of Northern of New York.

H. A. Clark is chairman of the executive committee of the W. S. R. A.

R. D. Hobbs, manager of the Western Actuarial Bureau, attended and a short session of the subscribers actuarial committee (W. I. B. division) was held.

The bureau sanctioned a request that the Wisconsin and Illinois field organizations of Western Insurance Bureau companies hold a joint annual meeting at Lake Delavan, Wis., at the time that the various Wisconsin field organizations are meeting there. The Illinois meeting was set for Rockford, but it will now be held in Lake Delavan along with the Wisconsin meeting, June 27-29. The request was made by Charles P. Hall of Milwaukee, superintendent of agents for Standard Fire of Trenton.

Honor 25 Year Chicago Man

Royal Indemnity, through E. Irving Fiery, Chicago manager, was host to Cyrus E. Barry, supervising auditor, and Samuel J. McMahon, supervising engineer, both of the Chicago branch. The occasion was the completion of 25 years of continuous service with the company. An office party, followed by dinner, was given them. They were presented with many gifts, including a pen and pencil set from President O'Neill. Secretary James B. Clancy represented the head office.

Joseph Horn, 64, veteran New York reinsurance man, died this week at Orange, N. J. A native of Germany, Mr. Horn came to the United States in 1891 and went with the United States branch of Munich Reinsurance. He later became office manager of the United States branches of Bulgaria and Swiss National, and after the war he went with Commercial Union and American Colony. For the past 2½ years he was in the reinsurance office of Sumner Ballard.

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For years the Great Northern has been a famous landmark in Chicago, yet it has kept abreast of the times with an extensive modernization program that leaves it complete with every facility for comfort and beautiful surroundings. Visit the Town Hall Grill or the Coffee Shop for fine food. For an hour or an evening, the Cocktail Lounge or the Roundhouse Bar.

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400 ROOMS **\$2.50**
400 BATHS from **single**

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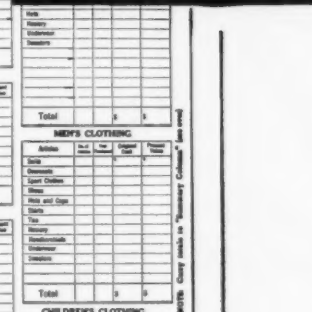
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P-U-L-L-S
PREMIUMS



HOW TO MAKE THE INVENTORY

If you have a fire, an inventory must be made. Why not do it now? It's not difficult. Filled out, this

table saves time and stress the purchase date and cost of each item. In the case of gifts or presents never date received

items. Fill in a place of origin and date received. The summary will show the present value of items received. The summary will show the present

value of your inventory. Your insurance agent

LIVING ROOM

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

HALLS

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

DINING ROOM

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

KITCHEN

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

BREAKFAST ROOM AND PANTRY

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

BASEMENT, LAUNDRY & GARAGE

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

BEDROOM NUMBER 1

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

BATH ROOMS

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

SEWING ROOM

Articles	No.	Year	Original Price	Present Price
Upholstery				
Tables				
Chairs				
Benches				
Seating				
Lighting				
Decorative				
Other				
Total			\$	\$

A Practical Suggestion from

THE JOHN DOE FURNITURE AGENCY

100 MAIN STREET

CLEVELAND 16, O.

ADVERTISING

THE JOHN DOE FURNITURE COMPANY, LTD.

for

Mr. John Prospect
125 Any Street
Anytown

April 2, 1939.

There are many important things which most of us put off doing. From day to day, because a convenient and pleasant way of doing them is not at hand.

Representative of the unusual salesmen-in-print supplied to Royal-Liverpool agents is the "Household Inventory Letter"—a personalized 4-page letter-folder attractively printed in two colors.

It is not the conventional inventory book or booklet. The inside pages provide space for the inventory record. The first page contains Agent's imprint as shown above and is personalized by filling in the

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CENTERVILLE, N. V.
SUBMITTING
ROYAL INSURANCE COMPANY, LTD

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Mr. John Prospect
123 Any Street
Anytowne

April 8, 1939.

There are many important things which most of us put off doing, from day to day, because a convenient and pleasant way of doing them is not at hand.

Making a complete inventory of the furnishings and personal effects contained in one's home is an example.

We trust, however, that if you have put off making such an important record, this inventory sheet will remove all need for further delay.

The record will be well worth making because:

- (1) It will establish a basis for estimating the value of your household furnishings and personal effects for insurance purposes. With such a record at hand, you can determine whether your present insurance is ADeQuATE.
- (2) In the event of loss, it will be invaluable in helping you to prepare your claim.

If you wish, we will keep a copy of the completed inventory in our office so that should your record become lost or destroyed you will still have access to the information.

If you should find that you need additional insurance in order to be fully protected, or if we can serve you in any way with information or suggestions, you have only to call on us.

Very truly yours,
John Doe

She: "I wouldn't have believed it would cost so much to replace our things."

Jim: "And we're only 50% insured. I'll cover the other 50%."

prospect's name. A special reply card is also provided.

Unusually high percentages of orders to mailings have been reported by agents who have used this mail presentation.

May we tell you about other unusual sales and educational aids which help our representatives to achieve INCREASED PRODUCTION? We'll gladly ask our fieldman to call if you'll address



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Tailored to YOUR MEASURE



Your business will profit by the help of *your* NF Group Counselor. Whatever the problem, he's probably met it somewhere before. Call him in today.



YOUR agency is different from most. There is no average, typical agency. Not only are *you* an individual with methods and practices unlike most other agents, but your community has peculiarities and conditions that make your problems very special ones.

Long ago we recognized that fact. Our efforts in serving our large agency force have, therefore, become more and more varied as they have become more and more complete. A sales plan that wowed them in Cisco might be a terrible

flop for you. Rating help or new tips on some obscure line might be right down your alley, but wouldn't be worth a plugged nickel three counties away.

So *your* NF Group Counselor — the fieldman who serves your community for the companies of The National Fire Group — long since learned that the first thing to do when he walks into an agency is to find out what help that agent needs, if any. His job is to help you solve your business problems, whatever they are. Call on him. His service is tailored to your measure.

THE NATIONAL FIRE GROUP

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Western Department: 175 West Jackson Boulevard, Chicago — *Pacific Department:* 234 Bush Street, San Francisco